ANNUAL REPORT
2021

Simbisa BRANDS LIMITED

simbisabrands.com

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.

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About this Report

Simbisa Brands Limited a company listed on the Zimbabwe Stock Exchange (ZSE) is proud to present its Annual Report for the year ended 30 June 2021.

The report brings together material information about how our strategy, governance, performance and prospects influence how we create and sustain value. This report, when coupled with information from our website, enables our stakeholders to make an informed assessment of our Company.

Framework of Reporting

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

- Companies and Other Business Entities Act [Chapter 24:31];
- Zimbabwe Stock Exchange (ZSE) Listing Requirements;
- International Financial Reporting Standards (IFRS); and
- Global Reporting Initiative ("GRI") Standards.

Reporting Boundaries

The report covers information for Simbisa Brands Limited, whose principal activities are based in Zimbabwe, Kenya, Zambia, Ghana, Mauritius, and Namibia. In this document unless otherwise noted references to "our", "we", "us", "the Company", "Simbisa" refers to Simbisa Brands Limited.

Sustainability Data

This report was prepared using both qualitative and quantitative information derived from business operation records and management personnel responsible for key impact areas. In some cases, estimations were made and confirmed for consistency with business activities. The Group continues to review its measurement systems on sustainability data to ensure consistency across all markets. Data which is directly related to business volumes was affected by the COVID-19 pandemic, resulting in significant increase compared to the prior year.

Assurance

We rely on both internal and external stakeholders to assure various aspects of our business operations. These assurances are provided by the management and the board, internal auditors, and independent auditors. Our financial statements were audited by Ernst & Young (Zimbabwe), in accordance with International Standards on Auditing (ISA). An independent auditors' report on the financial statements is contained on pages 63 to 69. Sustainability information was verified for compliance with GRI Standards by the Institute for Sustainability Africa (INŠAF) as subject matter experts. A GRI Content Index is contained on pages 152 to 157 The sustainability data (KPIs) provided in this report have not been externally assured.

Reinstatements

The prior year inflation adjusted consolidated financial statements were restated in accordance with International Accounting Standard ("IAS") 29, 'Financial Reporting in Hyperinflationary Economies.

Some of the prior year sustainability indicators were reinstated, thanks to improved data measurement.

Report Declaration

The Group management takes responsibility to confirm that this report was prepared in accordance with applicable GRI Standards – 'Core' option.

Board Approval

The Board recognises its accountability for ensuring the integrity of this annual report. In the Board's opinion, the report fairly presents the overall performance of the Group.

Forward looking statements

This report contains forward looking statements, these statements are future projections that are based on management expectations and assumptions and involve known and unknown risks. Future statements are not guarantees of future developments and readers are cautioned not to put undue reliance in these statements.

Feedback

We welcome your feedback on our Annual Report. To do so, please contact:

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farai.machodo@zw-simbisa.com or

Michelle Fisher
michelle@zw-simbisa.com.

You can also call us on +263 242 744 202.

This report is also available online at www.simbisabrands.com/financial-reporting/

ABC Chinake
Chairman

Basil Dionisio
Group Chief Executive Officer

Our Beliefs

People

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 ("DAD") 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".

Beliefsand Service

The level of service we provide to both customers and stakeholders alike is of utmost importance to us. We believe in staying at the cutting edge of industry standards through consistent innovation.

Simbisa Brands stands by its commitment to offer only the highest levels of service and quality to our customers as well as to our 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.

Growth

We continue our organic growth by constantly developing on our approach and learning as we expand.

Simbisa opened 32 new counters (net of opened and closed counters) in prime site locations during the year under review.

The footprint of Simbisa Brands will continue to expand as the company is committed to constant development in all areas. We are dedicated to our customer base and are always looking for new ways to learn about how to best serve the diverse African population. We know that expansion is essential to maintain our position and we continually research new and inventive ideas.

Environment and Community Responsibility

As a multinational company, Simbisa Brands recognises and embraces our social responsibility to the regions in which we operate.

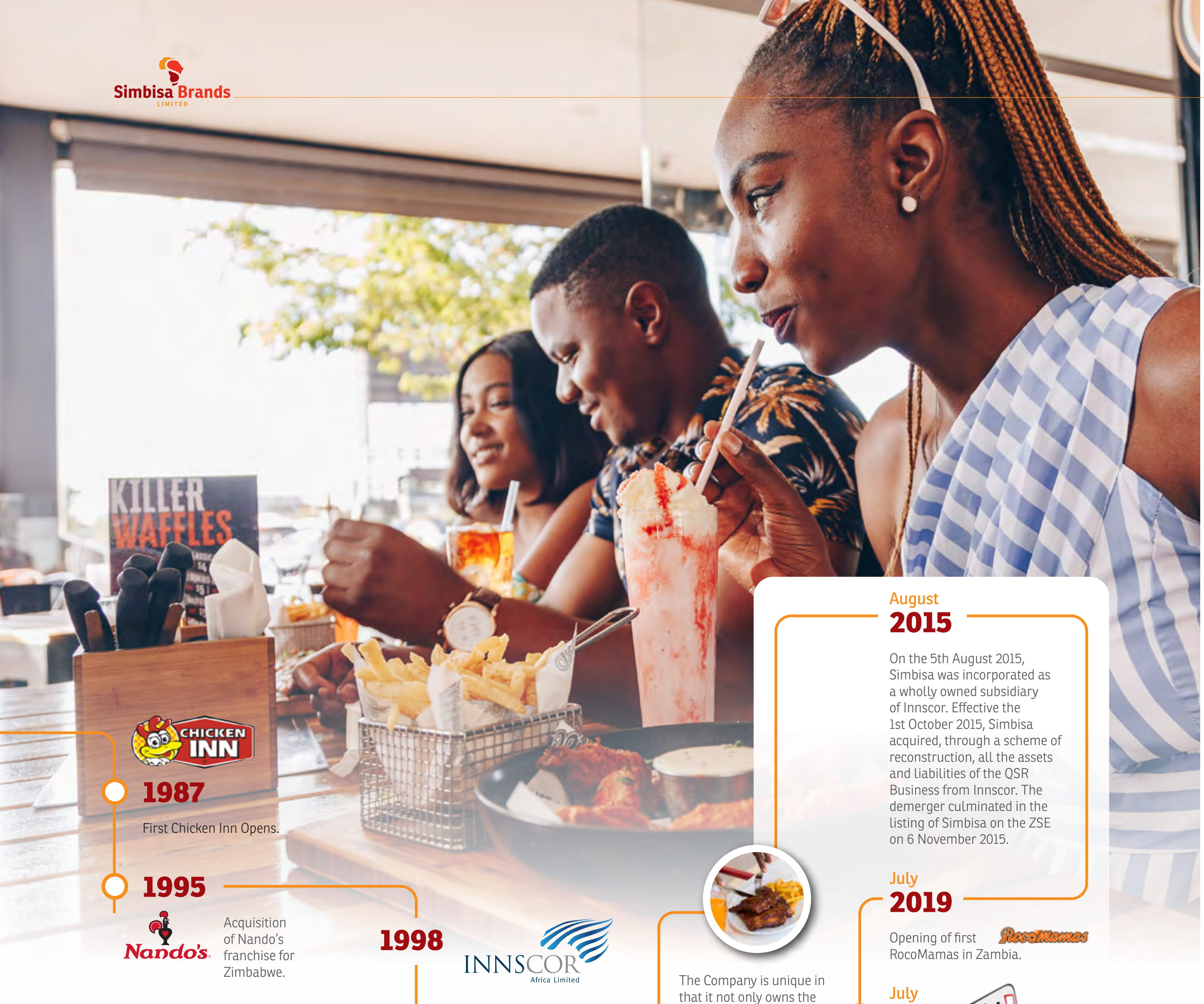
We are fully dedicated to establishing environmentally conscious programmes that benefit the youth, veterans, animals and their entire communities.

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 such as orphans and the elderly through groceries, donated studio and broadcasting equipment to the Zimbabwe Broadcasting Corporation (ZBC) and also provided support to the Mpilo hospital after a fire burnt down a doctor's residence. We take great pride in making a positive impact through this responsible approach.

Performance

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.

Our commitment to providing the Pan-African population with affordable, accessible, nutritious and delicious meals is a key area of focus. This business model has directly contributed to the great performance. The Group revenue increased by 108% despite the impact of COVID-19 on customer count. We also achieved a 472% dividend growth.



1987

First Chicken Inn Opens.

1995

Acquisition of Nando's franchise for Zimbabwe.

1998

Our History

In 1998 Innscor Africa Limited ("Innscor") listed on the Zimbabwe Stock Exchange ('ZSE'), utilising the QSR Business to spread its footprint into Africa as a diverse Pan-African operation. In the process, QSR outlets were opened in Zambia, Kenya and Ghana.

Since then the QSR Business has grown to own and franchise outlets all across Africa, including Zimbabwe, Zambia, Kenya, Democratic Republic of Congo ('DRC'), Ghana, Malawi, Namibia, Mauritius and Swaziland.

Namibia

3 Chicken Inn, 3 Pizza Inn

6 Company Operated Outlets

A major factor contributing to the success of the Company is the strategic and well thought out location of its outlets. Simbisa stores can be found along busy track routes, in central business districts, in urban areas as well as food courts. All these locations ensure consistent access to large volumes of customers.

The Company is unique in that it not only owns the Intellectual Property Rights of the brands within its portfolio, but also owner-operates the outlets of the QSR brands. Furthermore, Simbisa owns the master license to other successful brands such as Galito's Africa, Nando's (Zimbabwe only), Steers (Zimbabwe only), Rocomamas (Zimbabwe, Zambia and Ghana), Ocean Basket (Zimbabwe and Kenya), Vida E Caffé (Zambia, Mauritius and Ghana), Spur (Zimbabwe Only) and Grill Shack (Kenya).

1999

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

2011

Secured Galito's Franchise

August 2015

On the 5th August 2015, Simbisa 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 on the ZSE on 6 November 2015.

July 2019

Opening of first RocoMamas in Zambia.

July 2020

Establishment of stand-alone delivery business in Kenya.

November 2020

Simbisa Brands crosses the 500th open store threshold.

February 2021

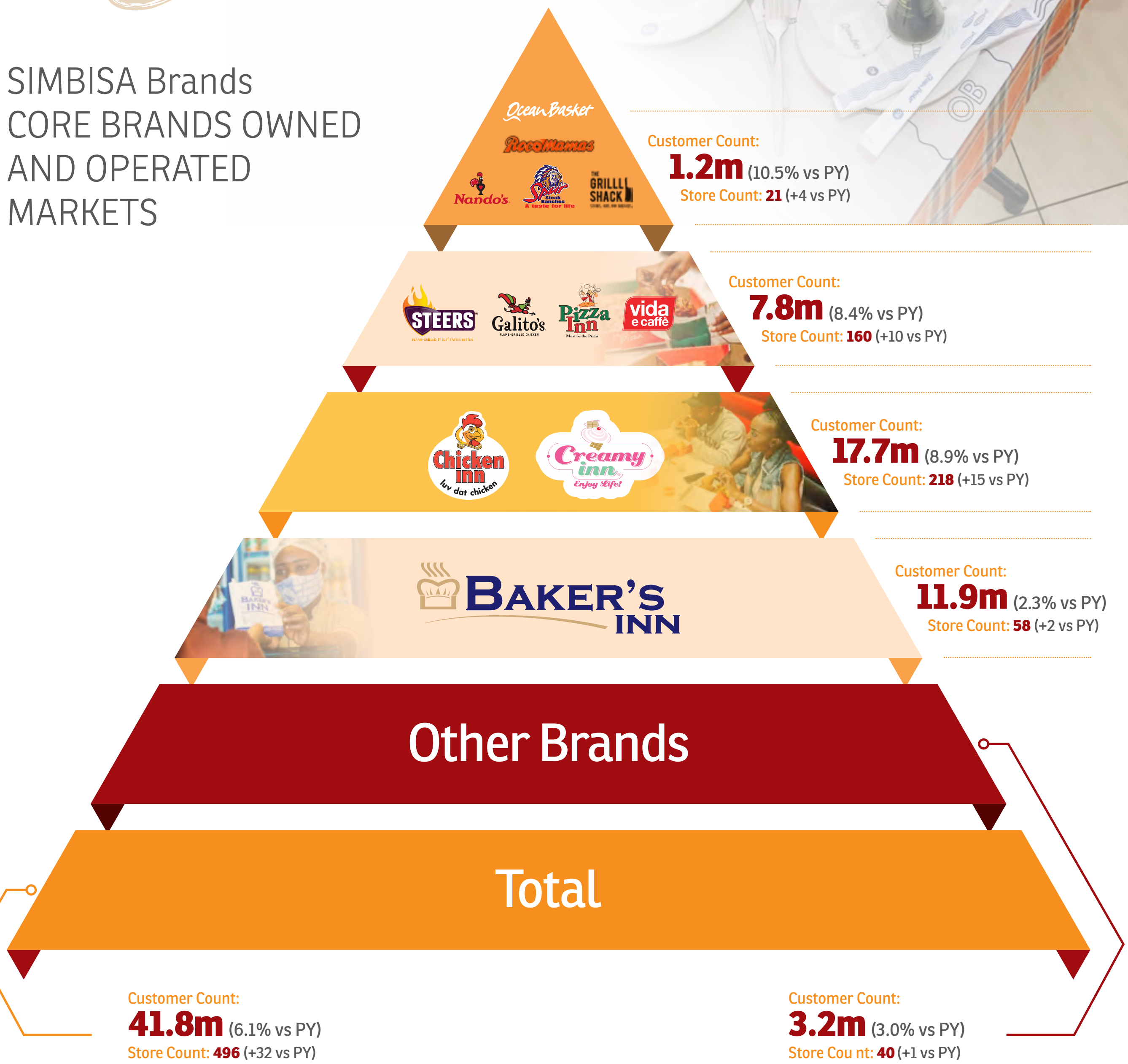
Simbisa Zambia opens its first commercial plant bakery in Lusaka.

March 2021

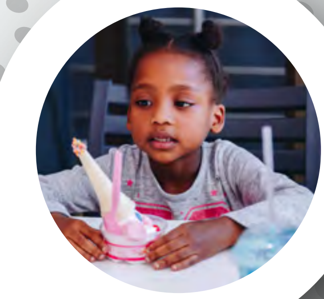
Opening of Buffalo Creek Spur in Harare, Zimbabwe.

Our Brands

SIMBISA Brands CORE BRANDS OWNED AND OPERATED MARKETS



Business Model



Our Competitive Advantage

- Strong management team and track record of working 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 Serivce Restaurants to ensure consistent access to large volumes of consumers.

The Value we create

For our employees	For our shareholders	For our customers
	Dividends paid.	High service values.
5 527	**132** ZWL cents	**32**
people employed	*/ share FY 2021*	*net counters growth in FY 2021*

What we do

- We are an African focused restaurant company. We currently have a presence in 9 African countries.
- We own and operate a portfolio of brands targeting consumers across all income categories, through our casual, fine 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.

Our Brand and Markets

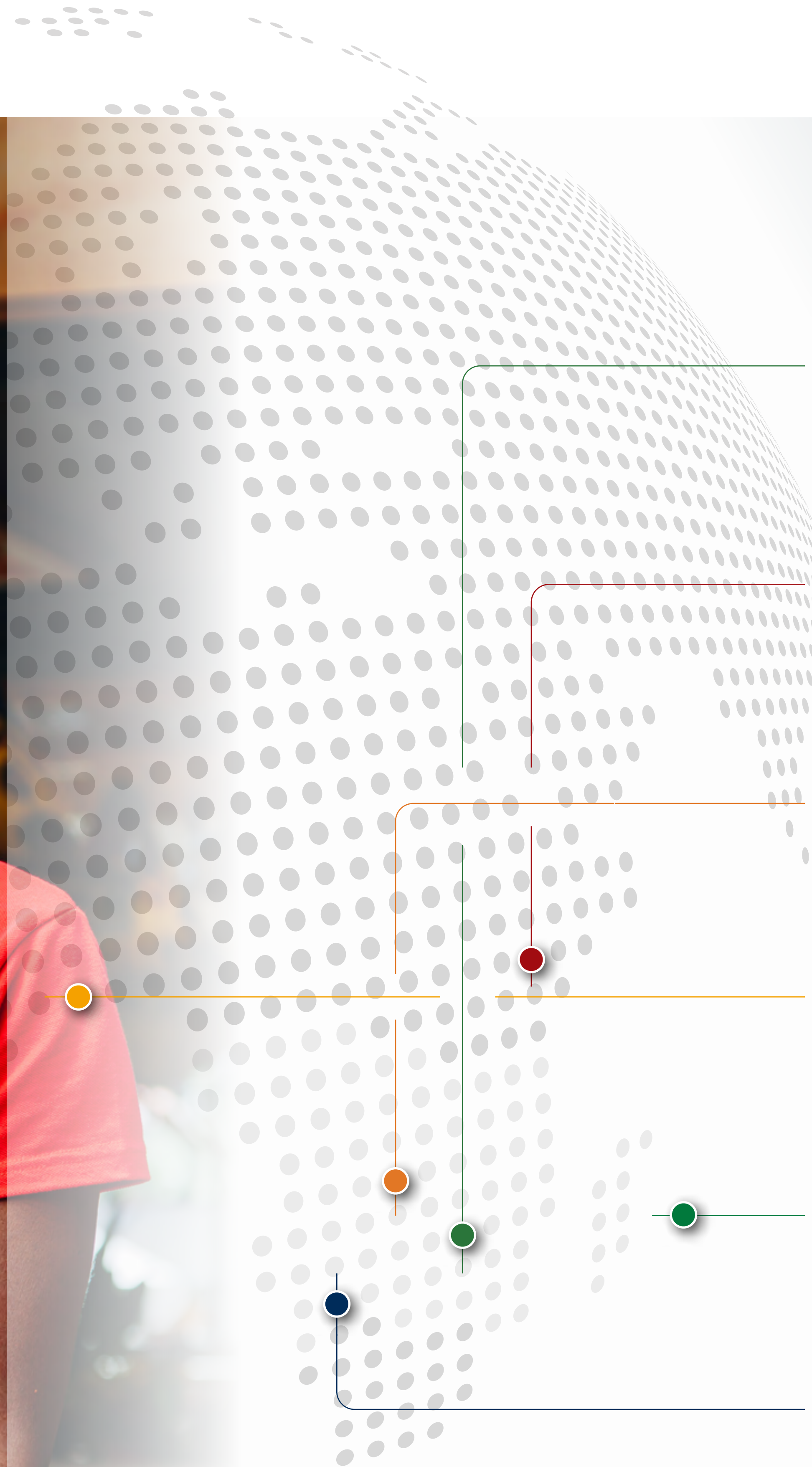
The largest QSR operators in Zimbabwe and Kenya, with a growing footprint in other Regional markets.

Chicken Inn: 140 Outlets	Pizza Inn: 129 Outlets	Creamy Inn: 87 Outlets
Baker's Inn: 58 Outlets	Nando's: 14 Outlets	Steers: 9 Outlets
Galito's: 36 Outlets	RocoMamas: 3 Outlets	Ocean Basket: 2 Outlets
Spur: 1 Outlet	The Grilll Shack: 1 Outlet	Other: 44 Outlets

Group Structure

Simbisa Brands

- Zimbabwe
  - Simbisa Brands Zimbabwe QSR Operations
  - Simbisa Brands Zimbabwe Franchising
- Region
  - Simbisa Brands International QSR Operations
  - Simbisa Brands International Franchising



Owned and Operated Markets

Zimbabwe
68 Chicken Inn, 4 Chicken Inn Drive thru, 41 Pizza Inn, 33 Creamy Inn, 50 Bakers Inn, 2 Fish Inn, 14 Nandos, 9 Steers and 15 others
234 Company Operated Outlets

Kenya
37 Chicken Inn, 3 Chicken Inn Drive thru, 47 Pizza Inn, 34 Creamy Inn, 16 Galitos, 5 Bakers Inn, and 26 others
168 Company Operated Outlets

Zambia
7 Chicken Inn, 10 Pizza Inn, 5 Creamy Inn, 3 Baker's Inn, 3 Galitos and 4 others
32 Company Operated Outlets

Ghana
6 Chicken Inn, 1 Chicken Inn Drive thru, 8 Pizza Inn, 5 Creamy Inn, 1 Galitos and 2 others
23 Company Operated Outlets

Mauritius
5 Pizza Inn, 3 Creamy Inn, 4 Galitos, and 4 others
16 Company Operated Outlets

Namibia
3 Chicken Inn, 3 Pizza Inn
6 Company Operated Outlets

Awards, Business Associations Memberships and Certifications

Corporate Awards
- Chicken Inn – Superbrand – FMCG Fast Foods Sector – Winner
- Chicken Inn – Superbrand – top 20 B2C Brands
- Simbisa Brands – Top Companies Survey – 2nd runner up, Top Companies Awards
- Simbisa Brands – Quoted Companies Survey - Runner Up – Innovation and Technology – Winner
- Simbisa Brands- Megafest National Awards – Award of Excellence Gold Award – Winner

Business Membership and Associations
- Zimbabwe Tourism Authority
- Kenya Tourism Regulatory Authority (KTRA)
- Ghana Tourism Authority (GTA)

Certifications
- Food and Drug Authorities Certification
- Takeaway and Restaurant License (Local Authorities Health Departments)

Chairman's Statement

Overview

Against the background of trading a full financial year under the Covid-19 pandemic, Simbisa delivered an excellent performance. Key highlights for the year include:

- The Group recorded improved operating profit margin despite the impact of Covid-19 on customer counts, which is testament to the success of efforts to improve operating efficiencies.
- Net growth of 32 stores during the year and an increase of 4 stores in the last quarter. The Group continues to reinvest profits into continued growth.
- 43% increase in food delivery volumes year-on-year as a result of the Group's elevated focus on this sales channel which ameliorates the impact of the pandemic and aligns the business with evolving customer behaviour. Along the same vein, the Group opened an additional drive-thru restaurant.
- Sustainable shareholder returns with a dividends growth rate of 472% year-on-year, ahead of the inflation rate of 107%.

Operating Environment

Amongst other challenges, the following matters had a significant impact on our business during the period under review:

i. Covid-19 impact on operations

All our restaurants experienced limited trade in FY21, with Mauritius being under full lock-down for 3 weeks from 9 March 2021 to 31 March 2021 (FY20: 10 weeks from 20 March 2021 to 30 May 2021). In our key markets, lost trading hours were as follows:

	Full Year FY21	Q4 FY20
Zimbabwe	-33%	-49%
Kenya	-28%	-48%
Other markets (combined)	-14%	-26%

Further to the direct impact on trading hours, the markets we operate in experienced depressed socio-economic activity. As further explained in the Chief Executive Officer's report, the Group's response focused on growing and improving the efficiency of its delivery and drive-thru offerings and extending various value offerings across its operations. Responses on the cost-side resulted in the Group maintaining profit margins. Simbisa is confident that some of the lessons and efficiencies gained over this difficult period will be carried forward into the post-pandemic era.

ii. Foreign exchange rate disparities in Zimbabwe

Whilst the foreign exchange supply has improved in Zimbabwe, the pricing mechanism and allocation of foreign exchange on the foreign exchange auction remain deficient as evidenced by the significantly divergent, multiple exchange rates in the economy which create opportunities for arbitrage between the different markets and platforms. The Board would like to urge the government to address the deficiencies in the foreign exchange auction and allow for efficient price discovery and distribution of foreign currency in the economy.

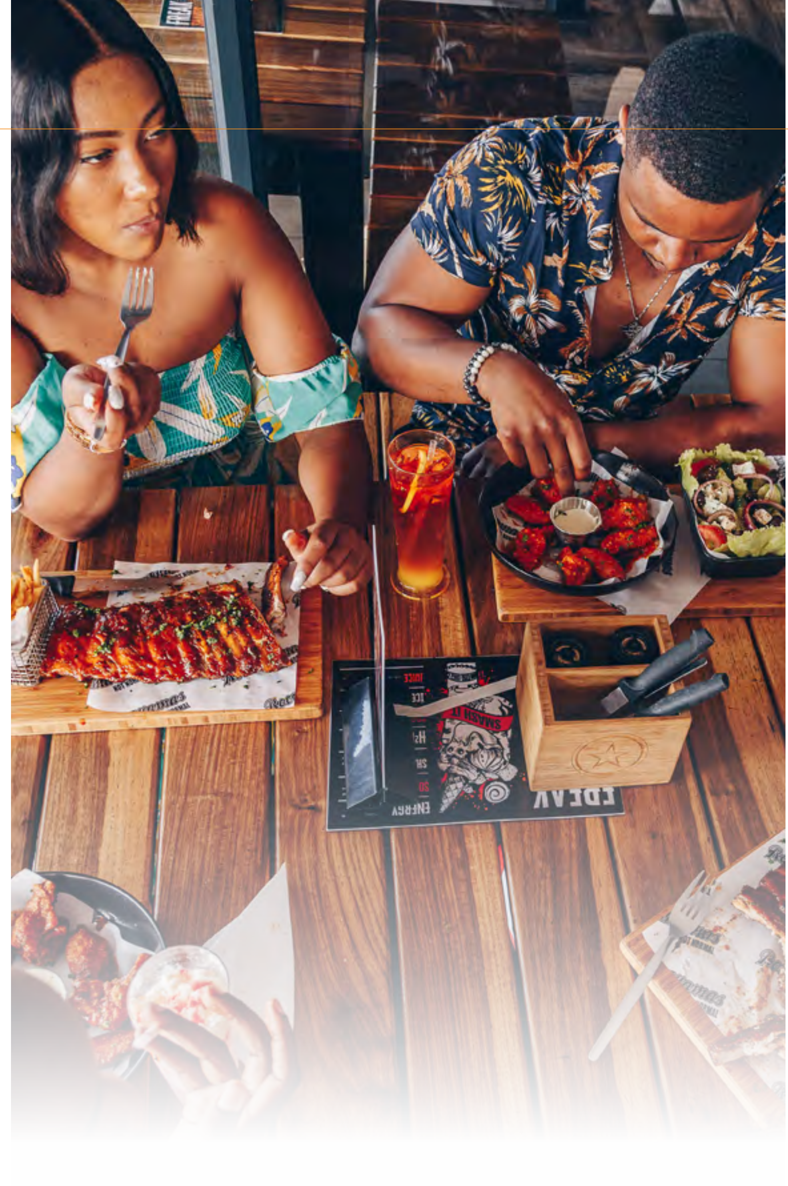
iii. Local currencies depreciation

Depreciation of emerging market currencies remain a significant risk in all our businesses. In FY21, the most affected currency was the Zambian Kwacha which lost 25% of its value against the USD between 30 June 2020 and 30 June 2021. This impacts our customers' disposable incomes in real terms and increases cost pressures on raw materials, capital items and services. The Group consistently manages its treasury and working capital positions to manage this risk across its markets. The Board, however, notes the recent significant recovery of the Zambian Kwacha following the August 2021 election and reaffirms its strategic intention to continue investing in that market.

Key financial reporting matters

i) Compliance with International Accounting Standard ("IAS") 21 "The Effects of Changes in Foreign Exchange Rates" requirements

Reference is made to the adverse opinion of the Independent Auditors on the 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 weekly Foreign Currency Auction System **("Auction Rate")**. The Group translated foreign currency monetary assets and liabilities for Zimbabwean Operations to ZWL using transactions-based exchange rate. The Simbisa transaction-based exchange rate was also used on the same date in translating the results of foreign operations to ZWL. 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 Auction Rate is deficient with regards to IAS 21 and cannot be considered as Spot Rate 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;
2. It does not offer immediate delivery of foreign currency transactions occurring on the auction system. 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;
3. 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.

Furthermore, in April 2021, the International Accounting Standards Board ("IASB") released an exposure draft on a proposed amendment to IAS 21 (ED/2021/4), 'Lack of exchangeability'. IAS 21 specifies the exchange rate to use in reporting foreign currency transactions when exchangeability between two currencies is temporarily lacking. The proposed amendment addresses what an entity is required to do when a lack of exchangeability is not temporary. Paragraph 19A of the proposed amendment stipulates that when exchangeability between two currencies is lacking, an entity shall estimate the spot exchange rate at that date. The Directors believe that this amendment speaks to the current Zimbabwean economic environment.

In the considered view of the Directors, the use of transactions-based exchange rate for the translation of foreign currency monetary balances and the translation of foreign operations presents a fairer view of the Group's financial performance, financial position, and cash flows and disagree to use the Auction rate. The performance and financial position reflected by this basis of preparation has resulted in the Directors declaring a full year dividend of ZWL 132 cents per share (ZWL 53 cents interim dividend, ZWL 79 cents final dividend), for which the company has sufficient cash resources to settle.

The impact of the use of the transactions-based exchange rate on the financial statements is as follows:

INFLATION ADJUSTED (ZWL Millions)			
	Numbers as reported in the financial statements	Numbers excluding the use of Simbisa transaction-based rate	Impact (decrease)/increase
Income Statement			
Operating Profit	2,413.2	2,076.8	(336.4)
Net profit attributable to shareholders	2,150.9	1,851.5	(299.4)
Basic Earnings per share – ZWL cents	382.60	329.33	(53.27)
Balance Sheet			
Total assets	13,189.2	10,365.2	(2,824,0)
Total liabilities	8,301.0	6,639.7	(1,661.3)
Net debt	3,796.5	3,192.0	(604.5)
Total equity	**4,888.2**	**4,188.9**	**(699.3)**

Chairman's Statement (continued)

ii) Impact of International Financial Reporting Standard (IFRS) 16: Leases

The Group implemented the new accounting standard on leases, IFRS 16, with effect from 1 July 2019. This standard has a material impact on the Group's results as it operates the majority of its stores under operating lease agreements. The new standard aligns the presentation of leased assets more closely to owned assets, bringing both a right of use asset and lease liability on the balance sheet. Rental expenses previously recorded on a straight-line basis are now replaced by depreciation on the Right of Use Asset, straight-lined over the term of the lease, and interest expense on the lease liability which reduces over the lease term. In the earlier years of the leases, IFRS 16 accounting has a significant dilutive effect on the Group's earnings.

The Directors believe that it is fundamental and decision-useful to the users of financial statements to consider the Group's financial statements without the impact of IFRS 16. The Board shall continuously assess the appropriateness and usefulness of complying with IFRS 16, particularly how it affects the usefulness of the financial statements as a whole.

IFRS 16 had the following notable implications on the Group's results for the year ended 30 June 2021:

	INFLATION ADJUSTED (ZWL Millions)		
	Pre-IFRS 16	Change	Post-IFRS 16
Income Statement			
Operating Profit	1,752.1	661.1	2,413.2
Net profit attributable to shareholders	2,243.1	(92.2)	2,150.9
Basic Earnings per share - ZWL Cents	399.0	(16.4)	382.6
Balance sheet			
Total assets	9,911.1	3,278.1	13,189.2
Total liabilities	5,093.8	3,207.2	8,301.0
Net debt	589.3	3,207.2	3,796.5
Total equity	**4,940.9**	**(52.7)**	**4,888.2**

iii) Finance Act (Chapter 23:04) amendment (included in Finance Act No. 2 of 2020) - Zimbabwe Operations

The newly introduced subsection (11) of section 4 allows for the rebasing of fixed assets acquired on or before 22 February 2019, and for any acquired in foreign currency from 22 February 2019 to 31 December 2020. This applies to the Group's property, plant and equipment which were acquired in foreign currency and had income tax values as at 30 June 2020. The income tax values were rebased to the equivalence of ZWL at the ruling exchange rate as at 1 January 2021 (ZWL 81.82: USD 1).

The Group implemented the rebasing of the income tax values for property plant and equipment with effect from 1 July 2020. The deferred tax impact of this was ZWL 724,743,997. As a result, the Group achieved an effective tax expense rate of 0.1% (inflation adjusted) and credit of 8.8% (historical cost).

Financial performance highlights

Key highlights (in inflation-adjusted terms) are as follows:

- Revenue increased by 108% (+60% in Zimbabwe and +318% in the Region). The main driver of growth in Zimbabwe was an increase of 34% in average spend with customer counts increasing by 8%. In the Region, excluding the impact of the Zimbabwe dollar exchange rate depreciation, revenue increased by 5% in USD terms from a 2% increase in customer counts and a 3% growth in average spend.
- Operating profit increased by 233% with operating profit margins firmer at 13% (2020: 8%).
- The Group recognised a net monetary gain of ZWL 227 million (2020: ZWL 564 million), mainly attributable to inflation hedging strategies in Zimbabwe anchored on re-investing profits in new stores to hedge against inflation.
- The Group recorded foreign currency exchange and other gains of ZWL 1.1 billion (2020: ZWL 909 million) driven by depreciation of the ZWL against the USD.
- Overall effective tax rate of positive 0.1% (2020: 32.5%) due to once-off tax credit arising from the application of updated tax legislation in Zimbabwe as highlighted above.
- Profit attributable to shareholders and headline earnings increased by 97% and 94% respectively.
- Cash generated from operations was very strong at ZWL 3.0 billion. Of this amount, ZWL 1.8 billion was spent on investing activities.
- The Group's cash and liquidity position remains strong. Total debt (excluding IFRS 16 liabilities) was ZWL 2 billion. Total borrowings remain below 1x annual EBITDA. The business closed with cash and cash equivalents of ZWL 1.4 billion.

Chairman's Statement (continued)

Final Dividend

The Board has resolved to declare a final dividend of ZWL 79 cents per share (FY20: 18 ZWL cents per share). This takes the full year dividend to (historical cost) 132 ZWL cents per share (FY20: 23.07 ZWL cents per share). Furthermore, the Board approved a dividend of ZWL 22,206,299 to the Simbisa Employee Share Trust. The dividend will be payable in Zimbabwe dollars on or about 15 October 2021 to shareholders registered in the books of the Company close of business on 8 October 2021. The last day to trade cum-dividend is 5 October 2021 and the ex-dividend date 6 October 2021.

Corporate Governance

There are no changes to the Board since our last report.

Sustainability

Sustainability is a core part of our business model and is driven by objectives we set across key areas of our environment, people and the community. The Board is consistently reviewing its key targets and improving the way these are measured. In the current year, the key areas under focus included health and safety of employees and customers, energy use and packaging.

In view of the Covid-19 pandemic, our corporate and social responsibility has been focused on the supporting the health sector and provision of necessities for the vulnerable. Simbisa Brands donated to Mpilo Hospital after a fire burnt down a doctor's residence and on a separate occasion donated fridges and other appliances for the hospital functions. Simbisa assisted vulnerable groups (orphans and the elderly) through donations of groceries and other items. These donations ensured food security for a few months for these vulnerable groups. Recognising the critical role of media and public health communications in the fight against the Covid-19 pandemic, Simbisa donated studio and broadcasting equipment to the Zimbabwe Broadcasting Corporation to improve the efficiency of its operations. Our belief is that as a business we exist and grow when our communities are functioning and therefore, we always seek to make a positive impact.

Outlook

The Group's focus remains on growing our footprint with 92 new stores in the pipeline in FY22 at an estimated investment cost of USD 19,3 million. Of these stores, 8 will be Drive-thru sites in line with increased focus on diversifying the Group's customer service channels.

Maintaining high standards of health and safety in our stores will remain a priority for the sake of both our customers and our staff. As of the date of this report, restrictions on trading hours and sit-in service remain in place in our key markets, Zimbabwe and Kenya. Despite these restrictions, trading volumes remain strong. We are encouraged by government plans and the increasing availability and uptake of Covid-19 vaccines in the countries we operate in. Currently, over 80% of our Zimbabwe employees have been fully vaccinated. The business is confident of a swift upturn in customer counts as restrictions are gradually relaxed as witnessed earlier in the just ended financial year.

The Group will continue to invest in growing the Dial-a-Delivery ("DAD") business across all its markets leveraging on a refreshed DAD app, customised tech-enabled logistics management, call-centre platforms and expanded delivery zones.

Appreciation

The past eighteen months have been extremely challenging for our staff members and their families, with many directly affected by the virus and some losing their loved ones. The Covid-19 pandemic has also brought about much uncertainty and anxiety. On behalf of the Board, I would like to thank all members of staff for their unwavering commitment and hard work. I am confident that Simbisa will emerge stronger out of this crisis. I urge all our customers and staff to continue adhering to the recommended Covid-19 health protocols.

I also would like to express the Board's continued appreciation to our customers, suppliers and business associates for their continued support.

As Simbisa, we will continue to provide convenient, quality and affordable meals to our customers whilst maintaining the highest levels of hygiene and safety.

ABC CHINAKE
Independent Non-executive Chairman
Harare
23 September 2021

Chief Executive Officer's Report

Trading Environment

FY2021 marked the first full financial year in which Simbisa navigated the Covid-19 pandemic and its inherent challenges including restrictions on seating capacity, operating hours and overall depressed economic activity. That Simbisa has achieved top-line growth through higher customer counts and average spend in FY2021 versus the prior year period as well as growth in profitability, is testament to the Group's resilience and ability to deliver value to shareholder's even in the face of significant challenges in the operating environment.

Challenges prevailed in the Zimbabwe operating environment, both from Covid-19 related restrictions as well as inflationary pressures borne from continued exchange rate volatility. Despite the resultant depressed economic activity and cost-pricing volatility, Simbisa Zimbabwe managed to achieve organic growth in revenue and profitability and expanded its footprint through the roll-out of 13 new counters in FY2021.

Trading restrictions, reduced trading hours and exchange rate devaluation dominated the Regional operating landscape in the financial year under review. However, through increased promotional activities and significant growth in revenue from delivery channels, the Region also managed to achieve top-line growth. Kenya continues to lead growth in the Group's footprint with 16 new counters opened in the year.

Group Performance Overview

Although Covid-19 related mandatory restrictions resulted in the Group trading at 70% of full capacity on counter trading hours in FY2021, Simbisa remained resilient and managed to grow customer counts by 6% versus the prior year through increased delivery sales contribution, promotional activities, value offerings and continued investment into new store roll-outs. Increased sales through delivery channels, which attract a higher basket value, supported an increase in the Group Average Spend and as a result inflation-adjusted Group Revenue increased 108% in FY2021 versus the prior year. Furthermore, aggressive cost-saving measures initiated in response to the aforementioned operating environment challenges resulted in cost efficiencies which allowed the Group to grow the Operating Profit Margin from 8.0% in FY2020 to 12.8% in FY2021.

Zimbabwe

Challenging conditions prevailed in the Zimbabwe operating environment, with Simbisa Zimbabwe having to navigate three waves of Covid-19 and resultant operating restrictions, which included curfews, limitations on seating capacity and restrictions on trading hours which culminated in Simbisa operations trading at 33% fewer counter hours in FY2021 compared to full capacity. Most severely affected were the casual dining, sit-in restaurants and transit sites due to inter-city travel restrictions. Adhering to strict health and safety protocols, Simbisa Zimbabwe was able to successfully manage the health risks associated with Covid-19 without having to completely shut down any shops in the year or compromising employees' safety. Continued foreign exchange shortages and multiple exchange rates being used in the economy created further operating challenges through the distortionary impact on suppliers' and service providers' pricing mechanisms and the effect on consumer disposable incomes and spending habits.

Despite these challenges, the Zimbabwe operations managed to trade with remarkable resilience in the financial year under review. Customer counts grew 8% year-on-year whilst inflation-adjusted average spend increased 34% versus prior year resulting in a 60% increase in revenue in FY2021 versus FY2020. This was achieved through increased promotional activity, value offerings and an upscaling of delivery services through Dial-a-Delivery which included expansion of sites offering the service across the country and improved capacity of bikes, riders and logistics management. Sales through delivery channels have increased significantly, with the number of deliveries increasing 133% in FY2021 versus the prior year.

The Group continued to expand its footprint in Zimbabwe with the opening of 13 new counters between 30 June 2020 and 30 June 2021. As at 30 June 2021, there were 232 operational counters in Zimbabwe.

Regional Operations

With the gradual easing of trading restrictions in most of our Regional operating markets, top-line performance improved significantly in 2H FY2021. Customer counts in FY2021 increased 2% versus prior year, compared to a 19% year-on-year decline recorded in the first half of the financial year. An increase in delivery sales contribution resulted in a 3% year-on-year increase in Average Spend in USD-terms, despite currency devaluation against the USD across our regional operating markets. Revenue generated by our regional operations increased 5% year-on-year in USD-terms (versus a 14% decline versus prior year recorded in 1H FY2021) and increased by 318% in inflation-adjusted ZWL terms from $1.67b in prior year to $6.97b in FY2021. Regional EBITDA margins eased from 26% in FY2020 to 22% in FY2021 as a result of currency devaluation and as concessions on cost line-items that were obtained at the start of the Covid-19 pandemic began to fall away.

Although the primary focus in FY2021 was managing the inherent Covid-19 risks and maximising returns on the existing Regional Business, expansion of the Simbisa brand footprint continued through the opening of 22 new counters in the region, of which 16 were opened in Kenya. Namibia has been converted into a franchised market effective 1 July 2021 in line with the Group's previously communicated intentions.

Kenya

Restrictive trading conditions prevailed in the period under review, with sporadic government-stipulated restrictions imposed as a result of Covid-19 precautions, including the restriction on dine-in for restaurants that was put into effect in April 2021. As a result, Simbisa Kenya traded on 28% less counter trading hours in FY2021, compared to full capacity.

Despite the constraints to trade, the market managed to recover customer counts in 2H FY2021 with the number of customers growing 31% in 2H FY2021 versus 2H FY2020. This was partly due to the fact that customer counts were impacted by Covid-19 in 4Q FY2020 but was also boosted by aggressive marketing campaigns, value offerings and organic growth through new store openings. In the full year FY2021, customer counts remained relatively flat (-2% year-on-year) compared to the prior year.

Local currency Average Spend increased 10% in FY2021 versus prior year, a result of increased delivery contributions. As a result, revenue grew 8% year-on-year in FY2021 in local currency terms and 4% in USD-terms.

The delivery business, Kutuma Kenya Limited, continues to grow steadily, with the business registering a 29% increase in deliveries in FY2021 versus FY2020. Growth in delivery revenue contribution to Simbisa Brands Kenya increased from an average of 16% in FY2020 to 20% in FY2021.

Simbisa Kenya continued to focus on growing the store footprint and in the twelve months from 30 June 2020 to 30 June 2021, 16 new stores were opened to close the period with 168 counters, achieving the pipeline target which was set for the financial year under review.

Zambia

Sustained exchange rate weakness in the Zambian Kwacha, which depreciated 25% against the US Dollar between 30 June 2020 and 30 June 2021, continues to put pressure on the Zambian business through depressed consumer disposable incomes and increased cost of imported raw materials and key costs. Covid-19 trading restrictions led to 19% fewer trading hours in the financial year under review, when compared to normal trading hours at full capacity.

It is commendable that amidst a difficult operating environment, the Zambian business achieved a 41% increase in Local Currency Revenue in FY2021 versus prior year, driven by a 28% year-on-year increase in customer counts and a 9% growth in Average Spend. The improvement in customer counts was attributable to successful marketing campaigns and brand-specific promotions. Exchange rate pressures dampened top-line growth in US Dollar terms and the Business registered a 3% decrease in revenue in real terms, still a significant improvement from the 27% year-on-year decrease which was recorded in 1H FY2021.

Despite exchange rate pressures on cost of sales and operating costs, rigorous cost containment measures implemented in the financial year under review allowed the Business to improve operating profit margins and return the business to profitability, from a loss-making position recorded in the prior year period.

CEO's Report (continued)

Zambia (continued)
Simbisa Zambia opened 2 new counters and a bread and confectionaries factory in FY2021 to close the financial year with 32 counters in operation. The bread factory is expected to significantly improve revenue and profitability in the Bakers Inn brand.

Mauritius
The Mauritius business was impacted by a complete lockdown in the market which took place between the 9th and 31st March 2021 following a spike in Covid-19 cases. As a result, the market lost 71% of counter trading hours in the month, versus full capacity. From April 2021 the market began to gradually relax the restrictions although in April and May, restaurants were able to provide services for take aways and deliveries only. Over the full year, the market traded on 90% of full operating capacity.

Despite the aforementioned trading disruptions, local currency revenue remained flat in FY2021 versus the prior year; customer counts fell 5% while Average Spend increased 5% year-on-year, on the back of increased delivery contribution. The restructuring exercise currently underway in the market, in which the Pizza Inn brand is being converted from a table service to a counter service QSR model, continues to bear fruit and the Pizza Inn brand recorded a 22% increase in revenue in FY2021 versus prior year. Under the new operating model and through strict cost management, significant cost savings were realised in the period under review. This resulted in a 73% increase in operating profit compared to the prior year.

By the close of 1H FY2022, the remaining Pizza Inn outlets in the market will have been converted to the streamlined QSR format which will drive revenue growth and improve efficiencies in the FY2022 financial year.The second phase of the recovery plan will be to grow our footprint through the roll-out of new counters under the re-modelled business format and the third phase development into new, high-density regions. One new QSR-format Pizza Inn outlet was opened in FY2021 and a further three new outlets are in the pipeline to open in FY2022.

Ghana
A relaxation in Covid-19 restrictions allowed the market to grow customer footfall significantly in 2H FY2021 resulting in an 8% year-onyear increase in customer counts in FY2021 versus prior year, despite having to trade at 50% seating capacity. Local currency revenue increased 32% against prior year, buoyed by a 23% year-on-year increase in Average Spend. Effective cost management policies allowed the business to realise cost efficiencies and operating profit margins improved significantly in FY2021 versus prior year, bringing the business from break-even operating position in FY2020 to a substantial operating profit in FY2021.

In the financial year under review, 3 new counters were opened in Ghana including a Rocomamas casual dining brand and a Chicken Inn trailer concept, the first of its kind in the Simbisa Regional Business. The Chicken Inn food trailer opened at the end of May so only traded for one month in the financial year. However, in this month, the food trailer was the highest contributor to revenue across all Chicken Inn outlets in the market and achieved a strong operating profit. Based on the success and relatively low investment cost of the food trailer, an additional three locations have been secured to roll out the same concept in FY2022 and we expect these to be significant contributors to revenue and profitability.

Namibia
Simbisa Namibia's revenues were negatively impacted by the loss of trading hours and lockdown restrictions imposed in FY2021. As such, revenue was down 12% versus prior year with customer counts falling 20% year on year. Namibia has been converted into a franchised market effective 1 July 2021.

Franchised Markets
The Group's largest franchised business, the DRC, was impacted by lost trading hours in the financial year under review due to Covid-19 related trade restrictions and civil unrest. As such, customer counts fell 4% in FY2021 versus the prior year. However based on a 12% increase in Average Spend on the back of increased delivery contribution, revenue grew 7% on prior year.

As trading restrictions have relaxed and through aggressive promotional activity, top line performance improved significantly in Q4 FY2021, with customer counts and revenue growing 98% and 113% respectively, versus the same quarter in the prior year.

No new counters were opened in FY2021 as the focus remained on keeping the existing business profitable. However, following a recovery in market activity the intention is to open 19 new couters in the market in FY2022 to significantly grow the contribution from this franchised market.

Strategic Focus
As the Group navigated a tumultuous operating environment in FY2021 following the onset of the Global Covid-19 pandemic, the focus turned to navigating the existing business through unfamiliar operating territory. This entailed recovering customer counts lost through value offerings, aggressive promotional activity and driving growth in sales generated through delivery channels. Aggressive cost management strategies were implemented across all markets to re-align the cost structure and ensure margins remain firm to allow the Group to remain profitable and continue to deliver value to Shareholders. As such, new store growth was much more deliberate, with only the most lucrative sites being considered and with 35 counters being opened in the financial year.

CEO's Report (continued)

Positive outcomes were borne of the shift in focus in FY2021 which included improved brand visibility through the increased promotional and marketing activities conducted throughout the year. The re-alignment in the cost base is sustainable and thus will see a significant improvement in operating margins as we move into the new financial year. New concepts devised to adapt to the challenges in the trading environment, such as the food trailer concept, have been hugely successful and will accelerate growth in the business going forward.

Another key focus area in the financial year under review was improving efficiencies in the delivery business and growing revenue streams through delivery channels. This has seen the Group establish an independent delivery business in Kenya, which has been successful in growing the delivery contribution in this market whilst enhancing cost efficiencies and refining performance for an improved customer experience. It is the Group's strategic intent to replicate this model in some of our other markets over time, whilst in other smaller markets, partnering with third party delivery service providers has proved to be a successful strategy in growing delivery revenue streams.

As we see our operating markets adjusting to the 'new normal' trading environment, with an easing in restrictions and a recovery in trading capacity, the intention is to accelerate growth in our footprint whilst still ensuring strong organic growth and recovery in our existing business. There are 92 new store roll-outs in the pipeline for FY2022 which include 8 new Chicken Inn Drive Thrus, 4 casual dining brands and 4 of the new food trailer or container concepts.

As part of the strategy to leverage technology to improve efficiencies and drive growth in the business, Simbisa is moving onto an upgraded ERP system, as previously communicated to stakeholders. The scoping and design phase has been completed and the implementation of the system is in progress with Simbisa's largest market, Zimbabwe, having migrated onto the upgraded system from 1 July 2021. The system is expected to unlock significant value through increased automation of work processes and improved system efficiencies and employee effectiveness.

Outlook
With the gradual easing of trading restrictions in our operating markets, we expect an improvement in trading capacity and continued growth in customer counts to drive revenue growth. New revenue streams from an improved, more efficient delivery business will also underpin top line growth in the short to medium term. Continued cost management to maintain or make further traction in improving operating efficiencies will translate into increased profitability and shareholder returns.

A strong investment pipeline, as the focus moves from navigating the Covid-19 induced challenges to growing the Group's footprint, will also deliver growth and create value for stakeholders. Growth will be primarily focussed in Zimbabwe, Kenya and Ghana whilst the other regional markets will focus on making improvements in the existing business to maximise returns on the existing capacity. Namibia has been converted into a franchised market effective 1 July 2021.

Whilst the possibility of new Covid-19 waves still remains, with resultant tightening of trading restrictions, lessons learnt and successfully navigated since the onset of the pandemic will set the Group in good stead to remain resilient and continue to grow, as was achieved in the midst of the crisis.

Management remains vigilant of currency risks and has put in place mitigation strategies which include locally procuring capital expenditure, stock and expenses where possible and structuring borrowings in local-currency in all operating markets to minimise our exposure to US-Dollar obligations and therefore hedge against adverse exchange rate movements.

Simbisa's performance in the midst of a global pandemic has been commendable, with the Group achieving bottom-line growth and continuing to deliver value to shareholders, despite a challenging operating environment. The success is attributable to a proactive, experienced and committed team of employees whom I would like to commend for their successes and express my sincere appreciation for their hard work. I would also like to thank the Simbisa Board of Directors, our loyal customers, suppliers and other stakeholders for their continued support in these challenging times and look forward to working together to make strides in the months to come.

B Dionisio
Chief Executive Officer
23 September 2021

Financial Highlights

Group Revenue

↑ **107.8%**

ZWL18,798.0million

(2020: ZWL 9,044.8m)

2021	18,798.0
2020	9,044.8

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.
The Group achieved 107.8 % growth in revenue when compared with the financial year ended 30 June 2020. This was driven by increased customer counts and improved average spend per customer.

Operating Profit

↑ **226.7%**

ZWL2,413.2million

(2020: ZWL 738.7m)

2021	2,413.2
2020	738.7

Why we measure it.
This amount 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.
Operating profit has increased by 226.7% when compared with the financial year ended 30 June 2020. This was driven by higher revenue streams and improved operating efficiencies.

Dividend Declared

↑ **148.6%**

ZWL132.0cents

(2020: ZWL 53.09cents)

2021	132.0
2020	53.09

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.
When compared with the financial year ended 30 June 2020, dividend per share has increased by 148.6%. This is testament to the commitment by management to ensure that the shareholders receive a healthy return on their investment.

Basic Earnings per Share

↑ **96.8%**

ZWL382.6cents

(2020: ZWL 194.4cents)

2021	382.6
2020	194.4

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.
Basic earnings per share has increased by 96.8% when compared with the financial year ended 30 June 2020. This was driven by higher revenue streams and improved operating efficiencies.

Customers Served

↑ **6.1%**

41.8m Customers

(2020: 39.4m)

2021	41.8
2020	39.4

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.
Despite the impact of COVID-19, the Group increased customer count by 6.1% versus the prior year through increased delivery sales contribution, promotional activities, value offerings and continued investment into new store roll-outs.

Cash Generated from Operations

↑ **231.2%**

ZWL3,022.3million

(2020: ZWL 912.6m)

2021	3,022.3
2020	912.6

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.
When compared with the financial year ended 30 June 2020, cash generated from operations has increased by 231.2%. This is in line with our growth in revenue which was driven by increased customer counts across all markets and improved average spend.

Sustainability Highlights

	Total Employees	Work Related Injuries	Total Water Consumption	Electricity Consumption
2021	5,527	31	6,736,976	29,333 MwH
2020	5,171	33	5,757,119	27,007 MwH

7%
5,527 Employees
(2020: 5,171 Total Employees)

-6%
31 Work Related Injuries
(2020: 33 Injuries)

17%
6,736,976 Cubic Litres
(2020: 5,757,119 Cubic Litres)

9%
29,333 MwH
(2020: 27,007 MwH)

Governance

Corporate Governance

Simbisa Brands is committed to the highest standards of corporate governance and business values. This commitment drives the Group to responsible value generation, enabling the board to remain accountable. The Group continues to review and align its corporate governance practices with the Quoted Companies Alliance (QCA) Corporate Governance Code, National Code on Corporate Governance, SI134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules, the new Companies and Other Business Entities Act (Chapter 24:31) and other international best practices on corporate governance.

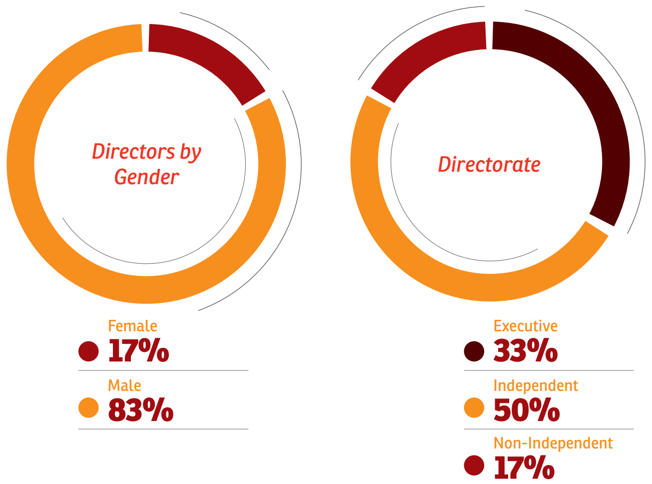
Board Responsibility

The Board is responsible for setting the strategic direction and policies to ensure the sustainability of operations. The Board works in conjunction with committees whose recommendations and/or decisions are reported at board meetings. The Board also delegates responsibility to the Chief Executive Officer and executive directors. The executive directors are involved in strategic planning, execution and ensuring decisions are in line with set company strategy. The Board meets at least quarterly to monitor the performance of the Group, management and operations.

Board Structure

Board composition

As of 30 June 2021, our board was composed of 6 Directors: 2 Executive Directors, 3 Independent Non-Executive Directors and 1 Non-Independent Non-Executive director. The profiles of the directors are set out on pages 26 to 27. The Directors bring a wealth of experience in business, corporate and legal practice and finance to guide an active and ambitious executive management team.



Governance (continued)

Nomination of Directors

Directors are nominated in accordance with the Nominations Policy. The policy specifies that candidates for the Main Board are considered as and when necessary. Recommendations are made to the Main Board for their determination using various criteria which include relevant experience, competence and integrity. The Group advises the Zimbabwe Stock Exchange (ZSE) of the selected candidate, who must also complete a disclosure form for the ZSE review. The appointment of the candidate is approved at the next Annual General Meeting (AGM).

Board evaluation

At a frequency advised by the Nomination Committee, the Board evaluates its performance along with the performance of each Director. This evaluation focuses on areas of improvement and ensures the Board functions efficiently and effectively.

Mechanisms for stakeholders' communication with the Board

The Group acknowledges the importance of maintaining communication and engagement with its stakeholders. This ensures that stakeholders are kept up-to-date on the Group's goals and performance as well as alerting the Group to its stakeholders' points of interest. The Group provides various platforms for stakeholders to directly communicate with our Board of Directors. These include the Annual General Meeting, press announcements of interim and year-end annual results, investor briefings, meetings, annual reporting to shareholders and exercise of shareholders' voting rights through proxy forms. Our website contains a vast array of updated operational and financial information which can be easily accessed by all stakeholders.

Professional advice

Simbisa Brands has put in place resources and systems to ensure the Directors are provided with comprehensive information on the business on a timely basis. This enables Directors to discharge their duties and carry out their responsibilities effectively. The Group's policy allows Directors to seek independent professional advice at the Group's expense on matters relating to the furtherance of their duties or advancement of the Group's business objectives.

Board Committees

In line with good corporate governance, the Board has well-established committees to assist in carrying out its duties. At present there are four committees, being Audit and Risk, Remuneration, Nomination and Executive. The composition and responsibilities are outlined below:

Governance (continued)

Committee	Members	Terms of Reference
Audit and Risk	**Amit Gupta:** *Chairman* **Jaqueline Hussein** (appointed 1 January 2021) **Addington Chinake** (stepped down 1 January 2021)	The Audit 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:** *Chairman* **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 Board 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:** *Chairman* **Amit Gupta** **Zinona Koudounaris**	The Nomination Committee meets on an ad-hoc basis, and in terms of set criteria assesses the composition, appointment, replacement and/or retirement of Directors. The Committee then makes recommendations to the Board for consideration.
Executive Committee	**Basil Dionisio:** *Chairman* **Baldwin Guchu** **Warren Meares** **Onias Moyo** **Leighton Shaw** **Dylan Meiburg** **Salim Eceolaza** **Trever Wagenaar** **Robert Machira** **Jacob Hason** **Manoli Vardas** ***Tom Carter** *(resigned 31 March 2021)* **Morne Deetlefs** **Praveen Aggarwal** **Sam Ngundu**	The Executive Committee is responsible for formulating, directing and implementing strategic decisions. The Committee meets at least quarterly and is comprised of Executive Directors and the Group's Executive Management.

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	Nomination Committee	Remuneration Committee
Addington Chinake	2015	4/4	1/3	1/1	2/2
Basil Dionisio*	2015	4/4	3/3**	n/a	2/2
Baldwin Guchu*	2018	4/4	3/3**	n/a	2/2
Zinona (Zed) Koudounaris	2015	4/4	n/a	1/1	2/2
Amit Gupta	2018	4/4	3/3	1/1	n/a
Jaqueline Hussein	2021	2/4	2/3	n/a	n/a

** Attendance by invitation only.
* Executives.
n/a Not a committee member.

DIRECTORATE AND SENIOR MANAGEMENT

BOARD OF DIRECTORS

Non-Executive Directors

Addington Chinake
Independent Non-Executive Chairman
Addington Chinake is a Senior Practicing lawyer who has been in practice since 1993 and has been with Kantor and Immerman legal practitioners since 1994. He became the Managing Partner in 2000 and is currently the 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 buyouts and capital raising.

Addington is a former Non-Executive Director of four other ZSE listed counters and a former trustee of the National Gallery of Zimbabwe. Currently he is the Non-Executive Chairman for Innscor Africa Limited, Simbisa Brands Kenya Limited and Bakers Inn Bread Company. He also serves as external counsel to the Zimbabwe Revenue Authority, The Reserve Bank of Zimbabwe and the Judicial Service Commission as well as many listed companies in Zimbabwe. In addition, he is a resource person to the Law Society of Zimbabwe, and a recognised Mediator and Arbitrator.

He is a published contributor to the Zimbabwe Independent Newspaper (Annual Quoted Companies Survey), and The Zimbabwe Stock Exchange Handbook. 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.

Governance (continued)

Zinona (Zed) Koudounaris
Non-Independent 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 Science. Zed is a founder shareholder of Innscor. He was the driving force behind the initial creation and success of 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
Independent Non-Executive Director
Amit is a seasoned professional with 24 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 accounting firms such as KPMG, EY and PwC, in tax advisory, tax litigation and finally in mergers and acquisitions, international tax structuring, as well as handling commercial law and advisory matters. He thereafter worked with an offshore management company in Mauritius - Abax Corporate Services ('Abax') until 2015 as the Chief Operating Officer. He now runs his own advisory firm, with focus on business consulting, tax advisory and structuring, and commercial legal matters. He acts as Independent Non-Executive Director on the Board of several large groups and funds.

Jaqueline Hussein
Independent Non-Executive Director
Mrs. Hussein is a Chartered Accountant (Zimbabwe) (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 of 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 and upcoming entrepreneurs.

Executive Directors

Basil Dioniso
Group Chief Executive Officer
Basil is an experienced operator with more than 38 years of experience across multiple markets and facets of the business. Zimbabwean born and raised, he has been with Simbisa since its inception and is a founding shareholder. Before he was appointed Chief Executive Officer 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 growing and directing the quick service restaurant business in Zimbabwe and across the greater African region.

In his capacity as Group CEO, Basil has overall responsibility for the business.

Baldwin Guchu
Group Finance Director
Baldwin is a Chartered Accountant (Zimbabwe) (CA(Z)) and an MBA graduate from the University of Cape Town Graduate School of Business (GSB) with extensive pan-African business experience. He commenced his professional career with PricewaterhouseCoopers Chartered Accountants (Zimbabwe) where he trained and qualified as 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.

Governance (continued)

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 Advisor
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

Salim Eceolaza	Managing Director - Simbisa Division
Trevor Wagenaar	Managing Director - Galitos Division
Robert Machira	Finance Director - Simbisa and Galitos
Jacob Hason	Managing Director - Kutuma Kenya Limited
Benson Huria	Finance Manager - Kutuma Kenya Limited

Ghana

Morne Deetlefs	Managing Director
Garikai Ndlovu	Finance Manager

Mauritius

Praveen Aggarwal	Managing Director
Peter Musoko	Finance Manager

Zambia

Warren Meares	Managing Director
Onias Moyo	Finance Director
Samson Ngundu	General Manager
Irvine Gwanyira	Finance Manager

Business Ethics, Compliance and Risk Management

Business ethics

The Group believes in ethical practices that embed socio-economic compliance with laws and regulations. Operating our business in an ethical manner is a shared responsibility among directors, management and staff. We believe that everyone at Simbisa has a responsibility to adhere to moral values in how we conduct business and avoiding cases of conflict of interest, corruption, bribes and abuse of power.

Directors' declarations

All Directors and Management are required to declare any interests which might be deemed in conflict with their roles and responsibilities. Directors are required to complete disclosure forms for all Board and Committee meetings. Where there is a conflict, the Director concerned is excused from the meeting and/or the deliberation of the issue arising. Dealing with Director related entities are disclosed in note 34.2 of the inflation adjusted consolidated financial statements.

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.

Directors shareholdings are disclosed in note 23.4 of the inflation adjusted financial statements.

Compliance Matters

Observing and complying with regulations, laws and directives within the markets we operate is vital in maintaining sustainable business continuity. As a business, we have established various systems to manage compliance:

- Observance of tax and exchange control regulations through ongoing training.
- 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 liaising 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 and shop kitchens.
- Monitoring compliance with city health departments and by-laws.
- Conforming to the Zimbabwe Stock Exchange Regulations and Directives via a checklist, and regular training on developments.

During the reporting period, there were no material non-compliance incidences identified.

RISK MANAGEMENT

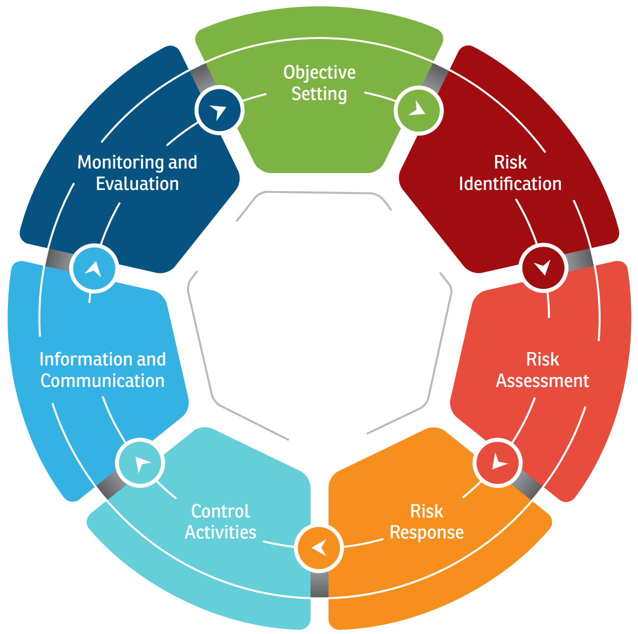
At Simbisa Brands, risk management enables us to create and preserve value with the ultimate purpose of achieving our mission. The Group's enterprise risk management is guided by the Simbisa Enterprise Risk Management ('SERM ') Policy. The policy ensures that all forms of risks are identified and managed in a manner that drives value for the business.

Risk governance

The Board has the ultimate responsibility for risk management. It achieves this obligation by providing leadership, direction and oversight over the strategy, design, development and operation of risk management structures, processes and activities. The Group Finance Director serves as the Chief Risk Officer and provides timely risk management information to the Executive Management Committee ("Exco"), Audit and Risk Committee and the Board.

Risk management framework

The SERM framework is designed to offer a clear view of how the process flows from the identification of risks to the elimination or minimising of risks to acceptable levels. Our risk management process has the following components:



Business Ethics, Compliance and Risk Management (continued)

RISK MANAGEMENT (continued)

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

Risk	Risk Description	Mitigation Measures
Covid-19 and impact on business	The loss of business and assets as a result of the Covid-19 pandemic. The pandemic affected all of our markets to varying degrees, depending on the Government directives in place. Second and third waves of the pandemic resulted in the enforcement of restrictions by governments. As the pandemic continues, there are likely to be more developments which will require the Group to respond.	Our response as a Group is to rebase costs and minimise losses as each country operates below capacity. Each Executive across our markets has and continues to negotiate with suppliers and landlords for a reduction in costs. We are also ramping up our delivery channel, through improved use of the DAD platform. This has been achieved through improved efficiency at the call centres and increased use of the DAD mobile app. We implemented standards and a set of protocols that are being followed in conjunction with local regulations and WHO guidelines. These protocols cover issues such as operating hours, the number of staff on duty at any particular time, personal protective equipment, emergency response, communication and hygiene practices. These measures have been effective. Additionally, we encouraged and are encouraging all our staff to get vaccinated to safeguard themselves and our customers.
Exposure to foreign currency fluctuations	Market specific currency depreciation.	In countries with weakening local currencies, borrowings were restricted to local currency facilities only. Engagement of local suppliers to substitute imported raw materials, where local suppliers continuously review prices, management continuously engage the suppliers to negotiate fair prices, where practicable, entering into forward foreign contracts with the Banks. Improved balance sheet currency split reporting and monitoring.

Business Ethics, Compliance and Risk Management (continued)

RISK MANAGEMENT (continued)

Risk	Risk Description	Mitigation Measures
Availability of accurate and timely information	An efficient Enterprise Resource Planning (ERP) system allows for the availability of real time accurate information on performance of the various counters and markets. The lack of such a system poses the risk of inaccurate and untimely information.	The upgrading of the ERP system across all markets. This is already in progress and the first roll-out will be the Zimbabwean market.
Exposure to negative interest rate fluctuations	Interest rate exposure resulting in increased borrowing costs.	The engagement of bankers regularly to negotiate interest rates on borrowings. The continuous evaluation of business investments and pricing to cater for increased interests, through the use of the weekly facility reports.
Compliance with laws and regulations	There are frequent updates in laws and regulations within the Group's various jurisdictions. There is a risk that the Group may fail to comply with some of the laws and regulations.	The Group makes use of internal legal counsel through the Group Legal Officer, as well as external legal counsel within the various markets we operate. We consistently engage various regulators across our markets to make sure regulations are interpreted correctly.

Sustainability

Simbisa Brands continues to anchor its business operations with sustainability practices. For 5 years now, we have been voluntarily accounting for the social, economic and environmental impacts. In 2017, we presented our first integrated annual report combining our financial and non-financial performance and continue to make progress in improving our practices and systems.

Our sustainability strategy

Sustainability assists us in making decisions that ensure our business practices create long-term value for our stakeholders. An indispensable element of our ability to create value is the understanding that we don't exist for ourselves only, but derive a shared vision with our consumers, employees, suppliers, communities, industry, shareholders and regulators. Our operations tap into the vast resources, relations, and opportunities provided by these stakeholders. We are committed to sustainable business practices that do not negatively affect our stakeholders and the environment.

As one of the leading quick service restaurant companies, we have both the scale and size to effect meaningful impacts. We continuously assess our operations together with our stakeholders to ascertain where we can make significant impacts and improvements. As a fast-food business, the quality and safety of our food meals remain critical, how we serve and meet our customers' is non-negotiable, fair employee treatment, supporting our communities and delivering positive economic contributions are core areas of impact. Below are the key strategic sustainability areas of focus for the Group:

Sustainability governance

The responsibility of business sustainability lies with the Board but is cascaded as a shared responsibility across the business. In implementing sustainability practices, the Group has assigned key individuals with the responsibility of co-ordinating sustainability reporting using GRI Standards. These individuals are responsible for assisting management, stakeholders and the Board with the identification, evaluation and management of material sustainability issues relating to economic, environmental and social impacts, including any opportunities arising from our business operations. In addition, the individuals are also responsible for monitoring and evaluating the systems of data collection, measurement criteria and quality of sustainability data across the Group.

Inclusivity and responsiveness

The integration of stakeholders in our business helps us identify and manage a broad range of risks and business opportunities. The Group's business values rest upon being honest, inclusive and responsive to stakeholder concerns. We rely on good stakeholder relations driven by shared values embedded in how we interface daily.

Sustainable capital management

The long-term success of our business rests upon the sustainable management of our various forms of capital. We consider natural, human, intellectual, financial, manufactured and social relations capital as core to how we create and sustain enterprise value for our stakeholders. The deployment and management of these capitals in our business model is a shared responsibility across the Group.

Stakeholder Engagement

Stakeholder engagement allows us to gather insights and receive feedback on our stakeholders varying opinions, concerns and perspectives about our business. This enables us to develop policies and strategies informed by the wider concerns of our stakeholders.

Our approach to stakeholder engagement is set in our risk management processes. We consider continuous dialogue with our stakeholders as a critical function of our business. The responsibility of stakeholder engagement is spread across the Group but coordinated by management. The Board takes on the duty of addressing strategic and material concerns raised. These stakeholders are categorised into internal and external.

The stakeholders are identified based on their ability to directly or indirectly influence the performance of the business:

Internal
- Employees;
- Shareholders; and
- Investors.

External
- Customers;
- Suppliers, Regulators; and
- the Community.

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

Stakeholder	Material issues raised	Mitigation measure	Engagement channel	Frequency of engagement
Employees (the employees of Simbisa Brands)	• The rise in the cost of living, erosion of salaries and economic impacts of COVID-19. • COVID-19 exposure risks in the workplace. • Employee and career development. • Working conditions (leave days, working hours etc.). • Employee rewards and recognition.	• Upward salary reviews. • Adherence to COVID-19 Protocols. • Employee training. • Promotion of employees as the business expands. • Increase in recruitment, the introduction of incentive schemes and job restructuring. • Ongoing discussions.	• Staff meetings • Internal memorandum • Emails • Employee opinion surveys.	• Daily, weekly and monthly. • Adhoc.
Customers and Consumers (individuals and groups who buy our meals)	• Customer service. • Meal quality. • Meal pricing, promotions and variety. • COVID-19 pandemic safety measures.	• Customer engagement and quick response to customer need and demands. • Monitoring quality controls. • Competitive pricing, increasing the frequency of promotions. • Adherence to government safety protocols for restaurants.	• Customer surveys. • Outdoor advertising and indoor bulletins. • Social media platforms.	• Daily and Monthly. • Adhoc.

Stakeholder Engagement (continued)

Stakeholder	Material issues raised	Mitigation measure	Engagement channel	Frequency of engagement
Suppliers (product, service suppliers and consultants of our company)	• Credit terms. • Cost of raw materials. • Payment terms (delays and extensions). • Price increase from supply chain disruption. • Involvement of suppliers in promotions. • Changes in the tax structure.	• Agreement on the extension of credit terms. • Raw material price negotiations. • Commitment letters with payment schedules provided to suppliers. • Contractual negotiations. • Positive negotiations with suppliers leading to discounts. • Negotiation with suppliers on prices increments.	• Meetings. • Emails. • Telephone calls. • Potato Council meetings.	• At Least Monthly.
Industry (Food Industry associations and regulators)	• Observance of food handling guidelines, public health standards and policies.	• Observance of compliance requirements. • Inspections and licensing. • Food handling certifications from local government authorities.	• Briefing meetings • Director engagements • Certificates from relevant bodies	• At Least Monthly.
Governments and Regulators (Governments, ministries and their regulators)	• Compliance with regulations. • Tax payments. • Financial disclosures and reporting.	• Adherence with statutory requirements – certifications and tax requirements. • Internal and external audits.	• Meetings with regulatory bodies, staff and Internal audit team. • Statutory returns	• Monthly • Adhoc.
Shareholders and Potential Investors. (Investors and other providers of capital to the business)	• Sustainable and sufficient returns. • Growth potential. • Shareholder returns.	• Improved profitability through management of operating costs. • Continuous engagement. • Dividend payment.	• Press releases. • Publication of financial results. • Annual General Meeting.	• At least monthly.
Local Communities. (People living and working in the vicinity of our operations)	• Creation of employment opportunities. • Community support. • Social welfare programs.	• Employment vacancies are created in the Group as the business expands. • Corporate Social Responsibility Investments. • Environmental preservation programs. • Diversity in employment.	• Social media channels. • Informal engagements at events. • Focus group discussions. • Suggestion boxes and hotlines.	• Monthly. • Semi-annually.

Materiality

MATERIALITY ANALYSIS

The Group conducted a materiality assessment to identify, prioritise and understand issues of 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 applied a structured methodology informed by the GRI Standards which involves reviewing, identification, prioritisation and approval. Each year, we evaluate and refresh our previous year materiality analysis by assessing new stakeholder concerns, benchmarking with our industry and global trends. This process then enables us to identify the most relevant topics to the business. We also take into account the variance of issues across the markets and countries of operation. We conduct this process through a combination of desktop research and senior management surveys. Senior management approves the final list of material issues based on stakeholders 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
• Customer Service. • Food Safety and Quality. • Occupational Health and Safety. • Employee Relations and Engagements. • Corporate Social Responsibility. • Gender Diversity and Inclusion. • Labour Practices and Human Rights.	• Water. • Green Buildings Outlets • Climate Change. • Energy. • Food Waste Management. • Food packaging.	• COVID-19 Impact. • Responsible Sourcing and Supply Chain • Management. • Business Operating Environment. • Anti-corruption. • Business Performance and Growth. • Tax. • National lockdowns

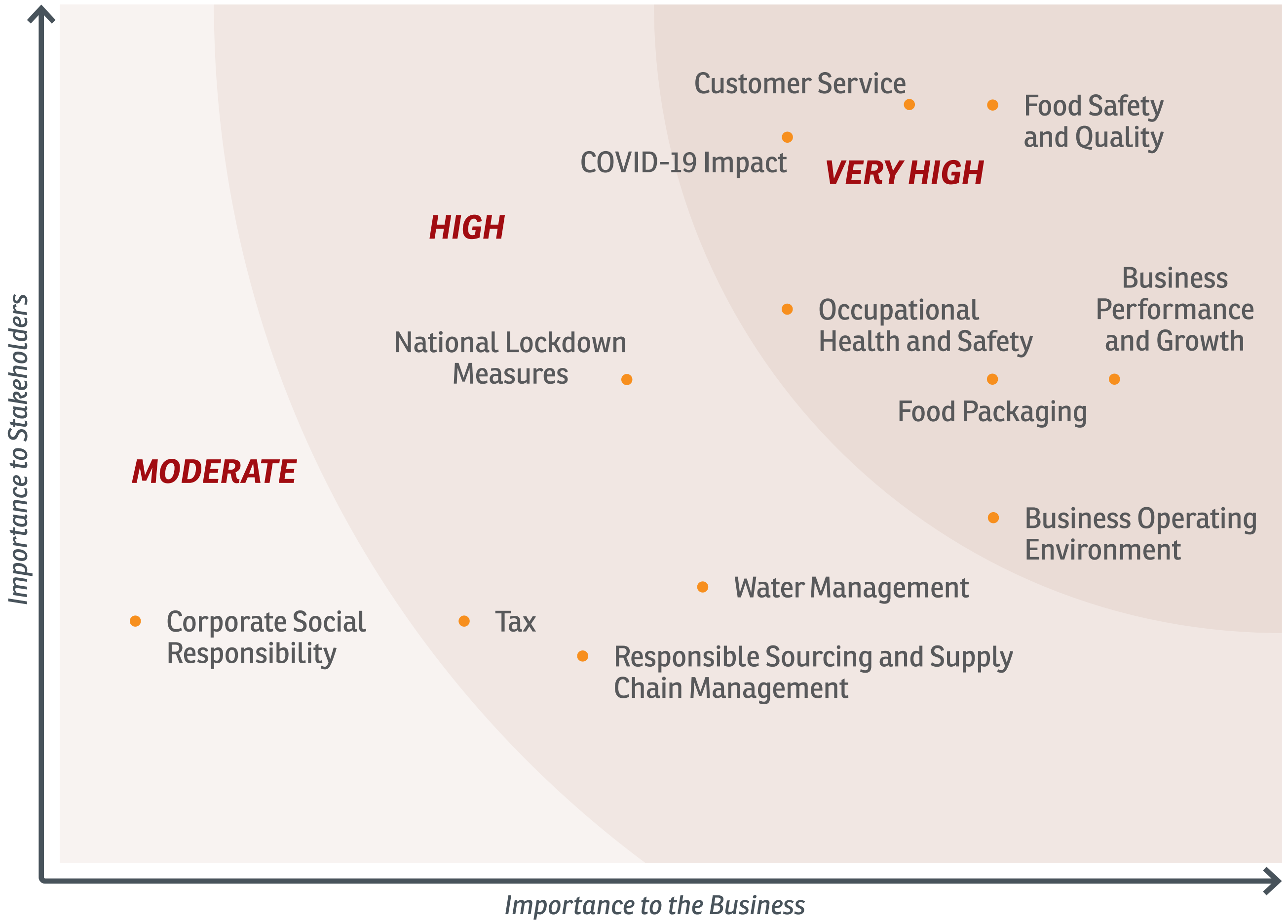
Materiality (continued)

MATERIALITY ANALYSIS (continued)

Materiality matrix

The materiality analysis below shows the top 12 topics that have been identified and ranked as the most significant to the business and its stakeholders, with food safety and quality, customer service and Covid-19 impact considered as significantly material during the reporting period.

Simbisa Brands Materiality Matrix



From the matrix above, topics ranked as "Very High' were those regarded by the business and stakeholders to be of significant interest. As such, they present both risks and opportunities for the Group. Those ranked as "High' reflect those where measures are in place to manage the impact while improvements continue to be implemented. Lastly, those ranked as 'Moderate' reflects those where significant effort were made by the Group.

Customers

Simbisa Brands is committed to the provision of a best-in-class restaurant experience to its valued customers. This is important for the business as it directly influences customer satisfaction and retention while ultimately contributing to market share growth. The Group recognises how customer service and meal quality and safety can significantly enhance relations.

Customer service

Customer service risks and opportunities often occur in the interactions between our employees and shop managers such as ordering and payments. These interactions can create risk for the business if the expectations of the customers are not met.

While most of the impacts are within the Group's control, third party systems such as payment solutions can create customer service challenges for the business. The business works with all parties to ensure our teams are equipped to offer exceptional service in every customer encounter.

Goals:

- To achieve a 24-hour resolution time for customer issues.
- To achieve a 95% customer satisfaction score as measured by customer satisfaction surveys and mystery shopping exercises.

Customers (continued)

Customer service initiatives

The Learning and Development Department - Run by the Franchising Function.

- The business has established the learning and development department to monitor and train staff members on customer service.

Creating Raving Fans

- A front of house program called **"Creating Raving Fans"**- is an initiative to get every associate in the organisation to provide exceptional service. In these programs, our front of house teams will be recognised/celebrated and rewarded for creating raving fans/exciting customers.

Social Places

- The business has contracted a third party Social Places a marketing technology company to provide social listening to customer concerns.

Complimentary Food Vouchers

- The business offers complimentary food vouchers as a way of appreciating customer support.

Customers (continued)

Meal varieties and nutrition

Customer preferences continue to shift to align with a variety of diets and health expectations. The majority of consumers 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 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. During the reporting period, the business introduced new meals at Pizza Inn, Galito's, Nando's, Spur and Chicken Inn. More resources have been allocated to marketing and communication, to push the new varieties, to consumers, as we create awareness. Improvements have been done on packaging and production to suit the consumer's appeal and preference.

Customers (continued)

Food safety and quality

The quality and safety of food is an important aspect of our business with both financial and ethical implications. The Simbisa Brands Group is committed to ensuring high standards are observed as a way of creating consumer confidence, preservation of brand perception and the retention of trading permits from regulators.

Management of food safety and quality.

To guarantee trust in our meals we rely on several processes and management actions to manage the associated risks. The business uses customer retention and growth analysis, customer satisfaction surveys, and customer care feedback to assess food quality. These processes enable us to detect areas of improvement. The business then manages the risks using the following management actions:

- Standard operating procedures (SOPs);
- Daily quality and safety checks;
- Monthly audits and compliance assessments – with corrective action to non-compliant outlets;
- Quarterly staff training; and
- Third party certification and audits.

We assess our progress using the following goals/ targets.

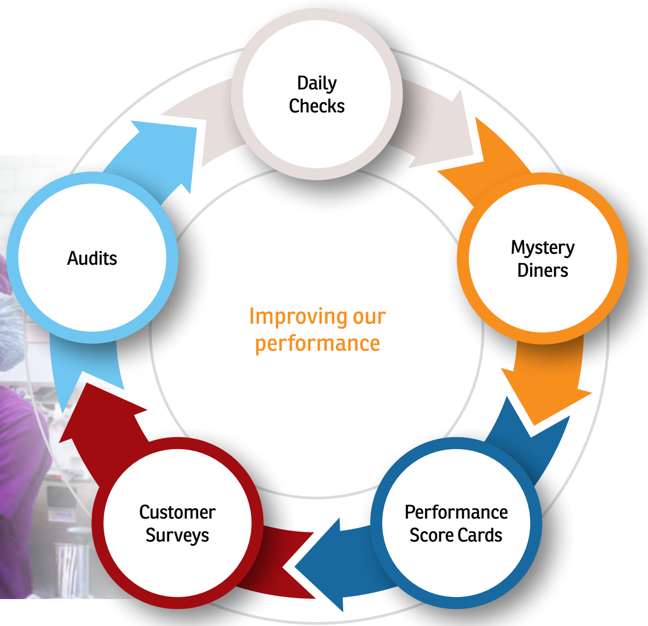
Real-time response to customer complaints.	80% Compliance rate to Food quality and safety by all restaurants.	Induction of all new staff members.
Acceptable microbiological limits.	Maintaining a minimum 'G-rating' third party certification.	Reduction in complaints from the previous year.

Management of meal quality and safety.

The Marketing Department (MD) has overall responsibility for the management of customer service, meal quality and safety. The brand operations managers have direct responsibility for this issue and store performance is assessed on this matter.

Real time grievance reporting

We provide a variety of platforms for stakeholders to report concerns about meal quality and safety, this is significant in helping us improve. These platforms allow the business to get feedback from customers in real time to allow us to handle each case as quickly as possible and address the quality issues raised. The business has invested in the services of 'Social Places', a company which assist in managing the digital/online presence for Simbisa Brands. The Dial-a-Delivery call centre is also available for customers to raise their concerns.



Customers (continued)

Continuous quality checks on prepared meals.

Managers and supervisors in each shop continuously check the quality of food produced. This is done through observation of processes and outputs and where possible, tasting.

Mystery diners

Mystery diners are used throughout the year. These are individuals engaged by management who walk into our food courts, just like any other customer, and check on all aspects. The marketing department periodically sends out mystery shoppers to evaluate customer service, meal quality and safety.

Performance score cards.

The business makes use of a matrix scored to evaluate and assess the performance on a number of criteria such as wastage and complaints. Meal quality and safety is a key element of that scorecard. The scorecard is linked to incentives that promote the highest forms of meal quality and safety. The incentives structure in the scorecard system has been effective in managing consumer safety and meal safety as managing this issue results in a higher reward.

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.

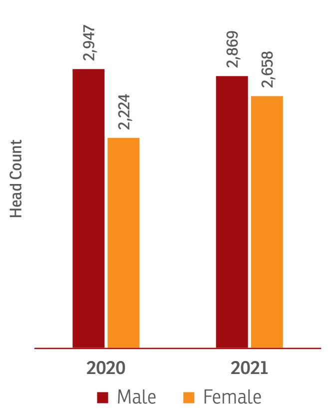
In line with strengthening our food safety and quality process, we effected the following systems during the reporting period:

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

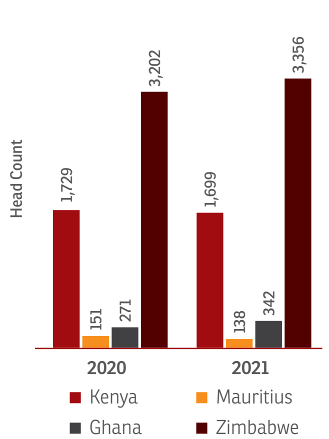
Employees

Our employees are at the centre of our capacity to generate sustainable value. Their interactions with our varied stakeholders allow us to listen and give back value. We have created an atmosphere where all our employees can 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. Our employees are treated as business partners whose role is pivotal in creating and sustaining value for our operations. As such, we are committed to enhancing their skills and work environment on an ongoing basis. We continuously engage our staff and management to ensure that they are motivated at all times through fair compensation and working conditions. During FY2021, our employees were as follows:

Employees by gender



Total employees by country



Employees (continued)

Simbisa Brands creates different forms of employment opportunities that include permanent, fixed contracts, temporary and casual positions (including tertiary education institutions students on vacation or internship). In view of providing employment of opportunities to a wide range of people, we tend to employ many people on short to long term contracts. As such, this explains why the Group may appear to have high employee recruitment and turnover figures as presented below:

New employees hire by gender

	Unit	2021	2020
Male	Count	1,284	1,221
Female	Count	1,787	1,764
Total New Employees	**Count**	**3,071**	**2,985**

Employees turnover by gender

	Unit	2021	2020
Male	Count	1,362	1,271
Female	Count	1,353	1,319
Total New Employees	**Count**	**2,715**	**2,590**

Collective bargaining

Simbisa Brands respects the right to freedom of association and collective bargaining arrangement. As such, our employees are at liberty to choose national employment councils and trade unions in our sector. As of 30 June 2021, 81% of our Zimbabwe employees were covered by collective bargaining agreements.

Labour practices and employee relations.

The continuous engagement of employees and their associated representative bodies has been influential in the maintenance of industrial harmony in the Group. The business gives due attention to all the regulations and requirements for enhancing employee relations. This was key in strengthening our reputation, employee retention, improving productivity and minimising labour unrest. The Group uses a proactive approach for anticipating challenges and problems within the Group while consistently and regularly assessing our compliance with the expectations of laws, works council and collective bargaining agreements. The engagement of customers, the National Social Security Authority (NSSA), Zimbabwe AIDS Council and the National Employment Council for the Catering Industry in Zimbabwe are some of the stakeholders that have enabled us to maintain our industrial relations with employees. The Group has developed internal policies with non-negotiable requirements for fair and inclusive work practices such as:

- Recruitment policy – our recruits need to comply with hiring requirements in various markets.
- AIDS policy – HIV status doesn't impinge anyone in getting a job in the Group.
- Policy against sexual harassment – the business does not tolerate sexual harassment.

The business routinely conducts training for managers as follows:

Training	Purpose
Safety and health (NSSA training)	Minimise safety risks and achieve zero penalties from regulators.
Policy against sexual harassment	To prevent sexual harassment.
AIDS policy	To prevent discrimination and stigmatisation.

During the year works council meetings, induction training, safety health and environmental (SHE) workshops, policy reviews and National Employment Council (NEC) and collective bargaining agreements played a key role in ensuring stable industrial relations in the workplace.

Human Rights, Gender Diversity and Inclusion

Simbisa Brands is committed to upholding the basic human rights of employees. This is reflected in our efforts to support diversity, equal opportunities, and freedom from discrimination. The business achieves this through its varied policies and systems that enable employees to freely join collective bargaining agreements, fair labour practices through constant review of policies, regular employee engagement programs. Our policies are also aligned with the labour laws and constitutions in the countries of operation. The key procedures enabling us to uphold human rights in the workplace include the code of conduct, remuneration policy, wellness and health policy, employee grievance policy and policy against sexual harassment. We provide grievance channels for employees and other stakeholders to report incidences of unfair treatment and other violations of basic human rights. These facilities are available both online and through a direct interface with the industrial relations office and line management.

The business assessed its performance on human rights management through feedback from stakeholders, exit interviews, assessment of employee survey results, labour turnover assessments and audits. The results of these processes have enabled us to regularly review our policies and practices while allocating more resources and training to close gaps.

GENDER DIVERSITY AND INCLUSION

Simbisa Brands values gender equality and diversity. The Group always seeks to ensure that equal opportunities are provided to both men and women across all levels including senior management. The business appreciates the unconscious biases that may be created during interviews and does away with first impression biases, hence it starts by developing a diverse candidate pool and pipeline right from recruitment. Simbisa seeks to promote opportunities for women in most historically "male dominated" departments like maintenance, IT and Back Office. This is being supported by the Human Resources (HR) Policy which has a deliberate equal growth opportunities for women drive. The policy against sexual harassment in place also ensures that we create a conducive environment for women to thrive. The business appreciates the benefits that come with these policies in empowering women while enhancing brand visibility and appeal. The Group assesses its progress in gender diversity through statistical reviews of employees, feedback from employees and other stakeholders. The business has a five-year plan to balance the gender proportions at senior managerial levels.

As part of strengthening gender diversity and inclusion, the business provides leadership training and seminars for women – called the 'Girls Network Seminars'.

Gender Distribution	2021	2020
The proportion of female employees	48%	43%
The proportion of female Board members	17%	n/a

Occupational health and safety

The promotion of occupational health and safety has a significant influence on the productivity, retention, morale and well-being of our employees. To promote safety management in the workplace we have developed a health and safety policy and the business has zero tolerance for accidents at work. The core areas of safety management in our operations cover:

- On-boarding training on key safety risks;
- Daily team briefings;
- Biannual training by regulatory authorities;
- Appointment and training of First Aiders;
- Safety drills;
- Wellness Clinics (Zimbabwe - Providence Human Capital); and
- Accident investigation.

Human Rights, Gender Diversity and Inclusion (continued)

GENDER DIVERSITY AND INCLUSION (continued)

During the year, our performance was as follows:

Indicator	Unit	2021	2020
Work related injuries	Incidences	31	33
Work related fatalities	Incidences	—	—

We evaluated our safety performance through accident registers at the shop level and statistics from wellness teams. The business managed to minimise accidents and absenteeism. We continually review our standard operating procedures and have introduced more skill trainers that will improve equipment handling and safety standards.

Environmental Stewardship

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.

Responsible sourcing

We source ingredients and other materials for the preparation of our meals to serve our wide range of customers. Consistency in the quality of our meals can be affected if ingredients sourcing is not properly managed. We have set standards and thresholds for the quality of ingredients to ensure our customers are served superior meals consistently. Our goal is to ensure that our Group procures ingredients in a sustainable manner that minimise business risk. Our suppliers play an important role in helping us meet our sustainable supply chain goals. Our policies require that we procure our ingredients from approved suppliers vetted and evaluated to meet our quality standards.

As our meals contribute to health and wellbeing, we take responsibility for ensuring that our supply chain is managed to maintain superior standards of quality and consistency for our brand reputation. Suppliers are expected to demonstrate their capacity to guarantee an uninterrupted supply of quality ingredients and materials. Furthermore, management continuously monitors and engage suppliers to assess whether they are operating by our values and are adhering to national laws, health and safety standards, and ethics.

Ingredients

The Group relies on ingredients such as meats, starches and oils. Managing the ingredients is essential in ensuring efficiency in our operations.

Indicator	Unit	2021	2020
Proteins	Tonnes	2,656,493	6,014
Starch	Tonnes	135,053	11,615
Oils	Litres	1,706,313	1,109,782

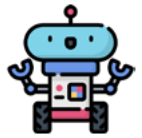
Environmental Stewardship

ENERGY

Our operations are highly energy intensive due to the heavy kitchen appliances we use, temperature control devices and lighting. Outside the huge cost of energy consumption, energy sources contribute to air pollution and climate change which directly affects our business and stakeholders. Managing energy usage helps us save costs and minimise environmental impacts. Achieving energy efficiency is a shared responsibility for management and staff. To this end, we are exploring alternative clean and efficient sources of energy.

Managing energy in our business

The facility manager is responsible for the management of energy with support from every employee in the Simbisa Brands Group. Key management processes are as follows:

	**Measurements.** Collection of data from energy consumers within a facility and analysing individuals' contribution to total consumption. Measuring energy use through a metering system identifies potential savings opportunities and creates a baseline to gauge improvement.
	**Fix the basics.** This consists of efforts like installing low-energy-consumption devices, like LED lighting, and addressing power quality issues. However, while this can translate to substantial savings, such measures are typically a one-time improvement, or a passive approach to energy management.
	**Automate.** Measures like schedule-based lighting control and occupancy sensors automatically turn lights on only when they are needed, while Heating Ventilation and Air Conditioning (HVAC) control and regulates heating and cooling at optimal levels, which can change day by day.
	**Monitor and improve.** Non-stop assessment of unplanned, unmanaged shutdowns of equipment and processes; sub-standard automation and regulation; inadequate maintenance, and/or a lack of behaviour continuity to eliminate previously gained efficiencies and savings.

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

Indicator	Unit	2021	2020
Petrol	Litres	170,988	154,976
Diesel	Litres	245,414	205,456
Total	**Litres**	**416,402**	**360,432**

Indicator	Unit	2021	2020
Electricity consumption	MWH	29,333	27,007

Environmental Stewardship (continued)

CLIMATE CHANGE

Simbisa Brands recognises the significance of climate change in its operations and society, as such we continuously assess how we can reduce our impacts and contributions to this phenomena. In our operations energy usage, waste disposals and farming practices can directly lead to higher emissions of greenhouse gases. We are beginning to measure our contributions from energy consumption. We intend to continue building on our progress by making plans to invest in renewable energy, enhancing energy efficiency and reducing waste generation.

WATER

Water is a key requirement in cooking, cleaning and ensuring the ambience of our facilities. It also ensures healthy environments within our outlets, particularly the Covid-19 pandemic. It is a key element to our business without which we can't operate. A myriad of factors influences our water consumption, from the number and size of our restaurant to meal preparation. This explains why water management is material to our business. We are on a mission to innovate and explore options to ensure we optimise our water usage impact. Preserving water is the responsibility of each staff member and customers when in our premises. We aim to educate our staff and customers across all operations about water conservation and stimulate innovations that optimise water consumption. The increase in water usage speaks to increased cleaning due to fumigation and disinfection in response to the COVID-19 pandemic, as well as an increase in business volume from the prior year.

Indicator	Unit	2021	2020
Municipal	Litres	5,731,309	4,801,228
Borehole	Litres	1,005,667	955,891
Total		**6,736,976**	**5,757,119**

Environmental Stewardship (continued)

WASTE

Waste is an inescapable output in our business, mainly from food and packaging. It has a tremendous impact on the environment and the generation of greenhouse gases during decomposition. Managing the amount of waste we generate can contribute towards minimising environmental impact, operating costs and our brand reputation which explains why waste is material to our business.

We are working tirelessly to ensure we minimise waste related impacts and losses. At all our sites we have visible disposal bins and facilities for all materials and waste from our operations. The disposal facilities are positioned in and outside our premises. We have dedicated staff members who monitor and manage whether the waste is being disposed properly. In addition, local authorities health inspectors assess our premises to ensure we are meeting all the necessary standards of a business operating in the food industry. During the year under review, the waste generated and disposed is as presented below:

Indicator	Unit	2021	2020
Plastic	Tonnes	159	111
Paper and boxes	Tonnes	22,037	14,614

COVID-19 IMPACTS AND MITIGATION

The Covid-19 pandemic remains one of the defining global health crises of our time. As a business, our primary concern was the safety of our employees and customers. The business took proactive measures to mitigate against the social, economic and business impact of Covid-19 on Simbisa Brands' customers, staff and other key stakeholders, to remain profitable and continue to grow. The Group is committed to managing the impacts of the COVID-19 pandemic while complying with local and international health requirements.

Challenges and opportunities of COVID-19

The significant challenges and opportunities created by the Covid-19 pandemic included:

Challenges	Opportunities
• Reduced trading hours. • Bans on sit-ins. • Restrictions on seating capacity. • Border closures and inter-regional travel bans. • Reduced foot traffic. • Supply chain disruptions.	• The rise in online orders. • Opportunity for the delivery business as more customers opts for home deliveries as opposed to dining in. • Service innovation. • Cost optimisation.

Business impacts of COVID19

The COVID-19 pandemic and Government induced national lock downs had significant business disruption resulting in lost revenue for the business. When operations resumed, the business had to incur costs of transporting employees to minimise public contact. During the reporting period, trading time lost was as follows:

Zimbabwe
• 67% Hours traded
(33% Hours lost)

Kenya
• 72% Hours traded
(28% Hours lost)

Other Markets
• 86% Hours traded
(14% Hours lost)

Zimbabwe
• 51% Hours traded
(49% Hours lost)

Kenya
• 52% Hours traded
(48% Hours lost)

Other Markets
• 74% Hours traded
(26% Hours lost)

COVID-19 Impacts and Mitigation

COVID-19 mitigation measures

The COVID-19 policies were developed at the Board level and issued in March 2020. These policies provided the guidance necessary and the response mechanism aligned to the COVID-19 national status. The Group assessed relevant regulations and the impact in all our markets in which Simbisa operates, and any policy changes were approved as and when necessary and ratified in the quarterly Board Meetings. The policies were rolled out across all business operations for implementation. Ultimately, the Executive Committee is responsible for the implementation of the COVID-19 response policies.

In FY2021, Simbisa prioritised the well-being of both employees and customers. The Group enforced strict hygiene measures in all its restaurants and offering free voluntary testing and counselling services to employees. Simbisa complemented government efforts in the fight against COVID-19 in various forms. We were encouraged by the government's provision and encouraging uptake of Covid-19 vaccines in the countries we operate. However, most of our Zimbabwe employees were fully vaccinated to achieve a herd immunity of 80%, while the other countries are making progress.

Employee testing and COVID-19 related deaths

Indicator	Unit	2021
Employees Tested	Head Count	1,781
Positive Cases	Head Count	54
Negative Cases	Head Count	1,727
COVID-19 related deaths	Head Count	—

Employee vaccination by market

Market	Unit	2021
Zimbabwe	Percentage	80%
Kenya	Percentage	10%
Ghana	Percentage	1%
Zambia	Percentage	75%

Management lockdown initiatives

In line with our adaptive mind-set, we introduced the following initiatives:
- enhanced our focus and the capacity of the Dial a Delivery and Kerbside business service, through the acquisition of more bikes, recruitment of more staff members, and an increase in the number of call centre agents;
- training staff to increase the speed of service across stores to serve as many customers as possible; and
- service delivery on the drive through was improved to reduce customer waiting time.

Evaluation of Covid-19 management.

We have an incentive-based evaluation system to monitor performance against set targets. The Franchising structure has a responsibility to check and manage the hygiene practices across the Group. The incentives and franchising systems have been successful in motivating the implementation of targets. The only challenges faced during the year were travel-bans in which the heads of the Regional franchising team were unable to travel to the operating markets for assessment appraisals as much as they used to.

Sustainable Development Goals

The Group believes that its business actions through sustainability and CSR initiatives in some way contribute to the United Nations supported Sustainable Developments Goals. Our analysis showed that our actions contributed to the follows SDGs:

Goals	Business Actions	Impacts
	Over ZWL$1 million spent to support Zimbabwe and Kenya healthcare	Supporting health institutions to eliminate the disease burden through donations.
	Contributed over ZWL$56,860 paid in school fees and other learning materials. The Group has hired interns from local universities and tertiary education institutions on either full year attachment or vacation employment	Enhancing access to education.
	In Zimbabwe, donation of equipment to ZBC and support of ZCTU, ZRP and ZPCS.	Enhancing the capacity of public institutions to serve communities.

Economic Impacts

Our capacity to be of value to the stakeholders that contribute and rely on our business hinges on our ability to continuously perform. This is why it is so important for us to make sustainable profits. The value we generate then contributes to our tax payments, supplier support, employment, and community investments. Our commitment to sustainability contributes to the growth of our business while minimising negative impacts from our operations. The investments we make in our operation contributes to economic growth and national development. Our contribution is vital in supporting local development and the livelihood of the members of the community. These contributions can only be effectively achieved if we continue to generate sustainable profits.

Economic value generated and distributed

Economic value generated is distributed through different forms that include operating costs, employment, procurement, taxes and capital investment which are presented in detail through our financial statements. Our ability to generate positive economic impact lies behind a strong support system of Standard Operating Procedures ("SOPs") guiding all business processes. This ensures our operations are run efficiently enabling our capacity to generate positive economic value. In this section, we present direct economic value generated and how it was distributed to strategic area of our business:

	2021 ZWL million	2020 ZWL million	2019 ZWL million
Direct Economic value generated			
Revenue	17,068.0	3.103.5	390.8
Other income and gains	1,296.2	572.5	2.0
Interest income	166.1	18.9	0.7
Total value added	18,530.3	3,694.9	392.9
Direct Economic value distributed			
Employee wages and benefits	(2,995.4)	(617.3)	(68.2)
Payments to governments	(362.1)	(52.4)	(14.5)
Payments to providers of capital	(1,118.9)	(159.8)	(11.7)
Suppliers	(8,721.4)	(1,467.8)	(174.7)
Other operating costs	(3,193.3)	(642.4)	(85.6)
Total value distributed	(16,391.1)	(2,939.7)	(354.7)
Total economic value retained	2,139.2	755.2	38.2

Defined contribution pensions

Our pension schemes are managed through the Simbisa Brands Pension Fund, National Social Security Authority Scheme & Workers Compensation Insurance Fund (NSSA) –Zimbabwe, Social Security and National Insurance Trust (SSNIT) – Ghana, National Pension Scheme Authority (NAPSA), Buyantashi Pension Trust Fund – Zambia and National Social Security Fund (NSSF) – Kenya, National Savings Fund (NSF) – Mauritius and Social Security Commission (SSC) - Namibia. Contributions to the schemes are presented below:

	2021 ZWL million	2020 ZWL million	2019 ZWL million
Simbisa Brands Pension Fund - Zimbabwe	5.8	4.7	0.8
National Social Security Authority - Zimbabwe	1.3	1.2	0.5
Social Security and National Insurance Trust - Ghana	5.5	1.1	0.1
National Pension Scheme Authority - Zambia	3.5	1.0	0.1
Buyanstanshi Pension Scheme - Zambia	4.2	1.0	0.1
National Social Security Fund - Kenya	4.2	1.2	0.1
National Savings Fund - Mauritius	8.9	1.4	0.1
Social Security Commission - Namibia	0.1	0.1	0.1
Total Contributions	33.5	11.7	1.9

Tax Management

Taxation is a significant source of Government revenue in all the jurisdictions in which we operate. Simbisa recognises that by complying with tax laws and paying our taxes as expected, we contribute directly to development within the various countries we operate in. We also appreciate that the long-term future of the business is closely linked to development within those various jurisdictions where we pay tax. Our business will thrive when there is development.

Stakeholder engagement on tax

To fully appreciate the concerns of stakeholders on tax, we routinely engage them through various channels depending on the stakeholder. Engagement with the tax authorities is done mostly through formal meetings. We also attend seminars and business meetings run/coordinated by the various tax authorities in the markets we operate in. The Group lobbies for tax through various membership bodies that it subscribes to. Tax audits conducted by tax authorities enable us to get direct feedback on tax matters. We also approach tax authorities to seek clearance on tax issues before significant transactions are concluded. The Group has robust transfer pricing policies which have/are in the process of being approved by the various tax regulators. Our engagements with stakeholders during the reporting period were as follows:

Stakeholder	Key concerns
Tax authorities	• Whether we are compliant or up to date with all returns and payments. • Transfer pricing.
Shareholders	• The efficiency of the tax strategy in ensuring tax returns are within the confines of tax law.
Employees	• Accurate calculation and remittance of PAYE.
Customers	• Good reputation for tax compliance.

Tax planning

The Group has a developed tax strategy aimed at optimising our approach to tax and related affairs through effective tax planning. The tax plan ensures that we adhere to all tax legislative requirements. A key element of the tax plan is the schedule for the constant liaison with the Tax authorities on compliance and other matters, with the help of our internal tax resources. It also covers training of accounting and tax staff on tax matters. The Group consults external legal advisors and consultants on tax matters as and when necessary.

Tax governance

The Board has overall responsibility for tax governance with the support of the Group Finance Director and internal tax resources.

Board

The board reviews tax matters at least quarterly and ad hoc deliberations can be held if necessary.

Group Finance Director

The Group Finance Director is responsible for all tax and related matters. The Group FD can also engage external tax consultants as seen fit.

Internal Tax Resources

Responsible for:

- Handling the training of staff on tax matters.
- Reviewing all tax returns before submission.
- Reviewing transfer pricing compliance.
- Reviewing and advising on the tax implications of all agreements the Group enters.

Tax Management (continued)

Tax governance (continued)

Tax planning is part of the day-to-day activities within the business, starting at the till points. To assess the effectiveness of tax in the business we have put in place the following systems:

- Tax matters are discussed in 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 in our shops.
- Review of all agreements for tax compliance by internal tax resources, Group Legal Officer and External Tax Consultants where necessary.

Country-by-country tax payments

	2021 ZWL million	2020 ZWL million	2019 ZWL million
Zimbabwe	225.8	12.7	12.0
Mauritius	99.9	28.5	1.9
Kenya	36.4	11.2	0.6
Total Tax paid	**362.1**	**52.4**	**14.5**

PROCUREMENT

Procurement processes have a direct impact on the quality of meals we sell and the local economy. The Group encourages local procurement in each country to create jobs and economic opportunities. To foster responsible sourcing, we have developed a number of systems to ensure procurement achieve:

- Quality supplier selection;
- Collaboration;
- Setting clear expectations on compliance;
- Integrating responsible sourcing into buying practices;
- Track supplier compliance and Key Performance Indicators;
- Supplier development;
- Fair playing ground for suppliers;
- Honesty and integrity; and
- Managing stakeholder expectations and reporting.

During the year, Zimbabwe spent 78%, Mauritius 49%, Kenya 95% and Ghana 79% of the procurement spending respectively through domestic or in-country suppliers. We monitor our performance on procurement through customer complaints, rate of meal defects, returns and discrepancies in actual inventories versus the system. Key lesson during the year includes the importance of long-term relationships, collaboration and early supplier development and that the market is dynamic we need to remain flexible.

Corporate Social Investment

Corporate Social Investment (continued)

Communities play a critical role in our business by contributing human capital, customers and source of materials. We aim to ensure that the relationship between our business and communities is mutually beneficial. The local communities in the areas we operate face significant socio-economic impacts which we can significantly alleviate through corporate social responsibility. Our CSR models are designed to make positive impacts and contributions in the countries we operate. We are very much aware that we don't operate in isolation hence the need to be a good corporate citizen.

We seek to empower the communities within our jurisdictions. We have adopted a policy that encourages the well-being of society and the environment while reducing our negative impacts. We contribute to society through a variety of mechanisms such as providing educational support, charities, healthcare funding and other initiatives. Simbisa supports the underprivileged and the less fortunate. Whenever we receive requests for social support, Exco, with the help of the Group Corporate Executive evaluate the request and approve it before implementation. We continuously review and improve our CSR strategies and procedures.

Key CSR initiatives

Category	Purpose of Investment in the CSR category.	Beneficiaries	Materials Donated	Country
Disadvantaged Groups	Enhance the welfare of vulnerable groups in society.	• Emerald Hill. Children's Home. • Bumhudzo Old People's Home.	• Financial and in-kind donations. • Groceries. • 100 kiddies' meal. • 100 cupcakes.	Kenya Zimbabwe
Education	Supporting access to education for children.	• Mercy Tembo and Attain Chapasuka. • Education Matters.	• School fees. • Pizza.	Zimbabwe
Public Institutions Support	Strengthening the capacity of public institutions to serve society.	• Zimbabwe Republic Police (ZRP). • Zimbabwe Prison and Correctional Services (ZPCS). • Zimbabwe Congress of Trade Unions (ZCTU). • Zimbabwe Broadcasting Company (ZBC).	• Fuel, shields, meal vouchers, and shopping bags. • Computer and Photography Equipment.	Zimbabwe Kenya
Health	Supporting health institutions, children with health Institutions and frontline workers.	• United Bulawayo Hospital (UBH) doctors and nurses. • Red Unit doctors and nurses. • Financially disadvantaged children.	• Monitors on the trolley, Hanging Scales for infants, Baby Electronic Scales, Larynscope for adults. • 100 burgers. • Donations to marathon runners.	Zimbabwe
Disaster and Accident Support	Support for disaster and accident victims.	Mpilo Hospital	Irons and Fridges.	Zimbabwe

Corporate Social Investment (continued)

School fees sponsorship for three students

Simbisa Brands is sponsoring school fees for Attain Chipo Chapasuka worth **ZWL$18 600** per term at Nyamatikiti High School, together with uniforms valued at **ZWL$27 360**. Another sponsored student is Jubliance Shumira Nhunzvi at Harare Girls High School with fees amounting to **ZWL$ 26 020** as well as uniforms. Both students are orphans and are being supported until they complete their A'Levels. An additional beneficiary is Mercy Tanatswa Tembo at Cheunje High School whose fees and uniforms are being funded by Simbisa.

Donation to ZCTU

As one of our key customers in Chiredzi, and to maintain and strengthen our relationship with them, Simbisa gave 25 by 2 piecer, worth **ZWL$3789** to ZCTU Chiredzi District for Worker's Day commemorations.

Donations to United Bulawayo Hospitals

Simbisa Brands donated 10 laryngoscopes for adults, 3 SECA Electronic 20 kg scales worth **USD1 440**, 2 SECA infants hanging scales worth **USD968** and 9 vital signs monitor trollies worth **USD12 600**. The total amount donated was **USD15 018**. As Simbisa Brands we care for the health of our customers and also the community as a whole hence we donated health equipment to the hospital.

Donation to Ekusileni

Simbisa brands donated a 530 litre Guest freezer and a 420 litre fridge to the Joshua Mqabuko Nkomo Ekusileni Medical Center. The donation assisted in equipping the hospital kitchen to ensure that the facility is conducive for patients.

Donation to orphanage

The Shalom Children's Home approached Simbisa Brands with a request to assist with transport. As part of Simbisa's ethos of being socially responsible and positively impacting its community, Simbisa donated a Ford Mini Bus to the Home.

Donation to ZRP women's network

The ZRP Women Network hosted the SARPCCO Executive Leadership and Knowledge Management Workshop in Harare from 24 to 26 March 2021. The workshop sought to develop female senior police officers to facilitate their career growth. Simbisa Brands pledged 50 by 2-piecer worth $56 900 for the attendees, as well as $110 538 towards the workshop.'

Donation to ZBC

Simbisa Brands provided to ZBC, as part of its studio upgrade, studio and editing equipment to the value of USD70 000 before the inclusion of import duties and taxes. In exchange, ZBC allocated Simbisa advertising time for its various brands on ZBC platforms for a period of 12 months. The donation was greatly appreciated by ZBC as it improved the efficiency of its operations.

Corporate Social Investment (continued)

Emerald Hill Children's 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.

Run by the Dominican Sisters, 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 big part in the donations for the home. Simbisa will donate meals and cakes for the children's birthday parties as well as help with any project funding.

Chicken Inn Football Club

Simbisa Brands is the sponsor of Chicken Inn Football Club. Not only is it about marketing, but more importantly to give back to the community.

Soccer is mainly played by the youth in Zimbabwe and through the club, Simbisa assists to keep the youth off the streets and provide employment.

Chicken Inn Football Club has 3 teams in the Bulawayo Province Junior League in the following age groups, under 14, under 16 and under 18. We also have an under 20 team playing in the ZIFA Bulawayo Province Division 2 league.

Mpilo Central Hospital

Mpilo Central Hospital, more commonly known as Mpilo Hospital, is the largest hospital in Bulawayo, and second largest in Zimbabwe after Parirenyatwa Hospital in Harare.

Simbisa Brands donated 44 fridges and 44 irons to Mpilo doctors with the company's human resources manager Juta Tshuma saying the fast-food chain recognises their plight in the face of COVID-19.

Bumhudzo Old People's Home

Simbisa recently sponsored the Men's and Ladies' Golf Championships at Royal Harare Golf Club (RHGC).

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

Simbisa and RHGC conducted a raffle at the event and the monies raised were donated to Bumbhudzo Old People's Home in Chitungwiza.

Directors' Responsibility and Approval of 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 Accounting Standard ("IAS") 21, 'The Effects of Foreign Exchange Rates' and its consequent impact on the adoption of IAS 29, 'Financial Reporting in Hyperinflationary Economies,' effective 1 July 2019 and non-compliance with 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 financial statements for the year ended 30 June 2021, which appear on pages 70 to 144, 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 CHINAKE
Chairman
23 September 2021

BALDWIN GUCHU
Executive Director

Report of the Directors

The Directors have pleasure in presenting their report together with the audited inflation adjusted consolidated financial statements of the Group for the year ended 30 June 2021.

Group Results

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2021 ZWL'000	**30 June 2020 ZWL'000**	**30 June 2021 ZWL'000**	**30 June 2020 ZWL'000**
Profit before tax	2 165 014	1 631 186	2 066 688	542 309
Income tax (expense)/credit	(1 332)	(529 609)	181 703	(144 787)
Profit for the year	2 163 682	1 101 577	2 248 391	397 522
Profit for the period attributable to:				
- Equity holders of the parent	2 150 915	1 092 766	2 235 198	394 451
- Non-controlling interests	12 767	8 811	13 193	3 071

Dividends

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

	HISTORICAL COST	
	Dividend per share (ZWL Cents)	**Dividend paid or Payable**
Interim dividend	53.00	01 May 2021
Final dividend	79.00	15 October 2021

Report of the Directors (continued)

Share Capital

Movements in issued ordinary shares of the Company are as follows:

	30 June 2021	30 June 2020
Balance at the beginning of the year	562 184 788	562 184 788
Balance at the end of the year	**562 184 788**	**562 184 788**

Simbisa Brands Share Option Scheme
Details of share options granted during the period are reflected in note 23.3.

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 23.4 of the financial statements.

Directors' Fees
Members will be asked to approve the payments of the Directors' fees of ZWL 13 503 911 (ZWL 16 061 822 inflation adjusted) in respect of the financial year ended 30 June 2021.

Auditors
Members will be asked to approve the remuneration of ZWL 40 856 864 (ZWL 45 036 164 inflation adjusted) of the auditors for the financial year ended 30 June 2021 and to reappoint 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
23 September 2021

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 (Private) Limited
Company Secretary
Harare
23 September 2021

EY
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INDEPENDENT AUDITOR'S REPORT

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

Report on the Audit of the Consolidated inflation adjusted financial statements

Adverse Opinion

We have audited the inflation adjusted consolidated financial statements of Simbisa Brands Limited and its subsidiaries (the Group) as set out on pages 70 to 141, which comprise the Inflation Adjusted Consolidated Statement of Financial Position as at 30 June 2021, the Inflation Adjusted Consolidated Statement of Comprehensive Income, Inflation Adjusted Consolidated Statement of Changes in Equity and Inflation Adjusted Consolidated Statement of Cash Flows for the year then ended, and notes to the inflation adjusted consolidated financial statements, including a summary of significant accounting policies and other explanatory notes.

In our opinion, because of the significance of the matters discussed in the Basis for Adverse Opinion section of our report, the accompanying inflation adjusted consolidated annual financial statements do not present fairly the financial position of the Group as at 30 June 2021, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis for adverse opinion

<u>Non-compliance with International Financial Reporting Standards IAS 21- The Effects of Changes in Foreign Exchange Rates and IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors</u>

Matter 1: Impact of prior year matters on current year (Zimbabwean operations included in consolidated amounts)

As explained in note 3 to the inflation adjusted consolidated financial statements, the Group changed its functional and reporting currency from United States Dollar (US$) to Zimbabwe Dollars (ZWL) on 22 February 2019 in compliance with Statutory Instrument 33 of 2019.

Our most recent year end audit report was modified due to the impact of an incorrect date of change in functional currency. We believed that the change occurred on 1 October 2018 in terms of IAS21 given the significant monetary and exchange control policy changes witnessed in Zimbabwe from 2016 through to 2019.

Further contributing to our modified opinion in prior year was the translation of foreign denominated transactions and balances at exchange rates which did not meet the requirements for a spot rate in terms of IAS21. As a consequential impact, the application of IAS29 was incorrect as IAS 29 adjustments were based on incorrect base numbers and started from an incorrect date due to the non-compliance with IAS21. The impact could not be quantified because an IAS21 compliant exchange rate had not been identified for the stated period.

Management has not restated the prior year amounts in line with the requirements of IAS8, consequently, many corresponding numbers remain misstated on the inflation adjusted financial statements. Our audit report is thus also modified in respect of the comparability of the current period's figures with the prior period figures.

These matters continue to impact the following elements, which still comprise of amounts from opening balances that are misstated as at 30 June 2021:

Property, plant and equipment, stated as ZWL5 630 794 412 (30 June 2020: ZWL4 067 315 533) of which Zimbabwean operations are ZWL2 401 037 674 (30 June 2020: ZWL2 046 921 479) and Deferred Taxation stated as ZWL12 006 288 (30 June 2020: ZWL393 239 849) of which Zimbabwean operations are ZWL12 006 288 (30 June 2020: ZWL393 239 849).

As opening balances enter into the determination of performance and cash flows, our audit opinion is also modified in respect of the impact of these matters on the inflation adjusted consolidated Statement of Cash Flows, distributable reserves on the inflation adjusted consolidated statement of changes in equity and the following amounts on the inflation adjusted consolidated Statement of Profit and Loss:

- Cost of sales stated as ZWL9 924 456 031 (30 June 2020: 4 912 048 479) of which Zimbabwean operations are ZWL6 8 34 532 955 (30 June 2020: ZWL4 180 504 684).
- Depreciation stated as ZWL1 006 984 962 (30 June 2020: ZWL448 814 046) of which Zimbabwean operations are ZWL203 016 208 (30 June 2020: ZWL190 279 216).
- Taxation stated as ZWL1 331 690 (30 June 2020: ZWL529 608 785) of which Zimbabwean operations are ZWL96 991 439 (30 June 2020: ZWL509 982 290).

Matter 2: Exchange rates used in current year (Zimbabwean operations)

As disclosed in Note 5h, management has translated all foreign denominated monetary assets and liabilities at a transaction- based rate from USD to ZWL functional currency. Transactions denominated in foreign currency during the year were translated to the reporting currency using the auction rate, however, balances at the end of the period were translated to the reporting currency using management's transaction-based rate. We disagree with the use of the transaction-based rate for translating foreign denominated balances to ZWL at year end as we believe that the transaction-based exchange rate used for the translation of foreign denominated balances 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.*

Furthermore, we disagree with the use of two different rates for translation of transactions and balances in the financial statements. Whilst management have used the auction rate for all transactions in the statement of comprehensive income and the Simbisa transaction-based exchange rate for the Statement of financial position balances, in our opinion the average auction rate should have been used for translation of transactions in the statement of comprehensive income and the spot auction rate as at 30 June 2021 for balances in the statement of financial position. As a result, had the correct exchange rate had been used, the following elements of the inflation adjusted consolidated statement of financial position relating to the Zimbabwean operations would have been materially different:

Element of Financial Statements	At transaction-based rate	At Auction rate	Impact ZWL (decrease)/increase
Cash and bank	912 192 903	620 699 532	(291 493 371)
Financial Assets	438 737 945	298 538 211	(140 199 734)
Trade Payables	446 106 256	303 551 961	(142 554 295)

Accordingly, exchange gains included in foreign exchange gains or losses on the inflation adjusted consolidated statement of profit or loss would have decreased by ZWL358 709 849. Consequently, taxation, distributable reserves, non-controlling interests and deferred tax liability would have been materially impacted.

Our opinion the prior year was modified for a similar matter but where the acceptable exchange rate was unknown and therefore our opinion is further modified for the comparability of the current year amounts with corresponding numbers as we could not quantify the difference in the prior period.

Matter 3: Reporting in Hyper-Inflationary Economies– IAS29 (Zimbabwe Operations)

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior and current periods' financial information which was not in compliance with IAS 21 / IAS 8 as described in Matter 1 and Matter 2 above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the monetary gains or losses of ZWL227 416 005 on the consolidated inflation adjusted Statement of profit or loss and other comprehensive income are impacted.

Matter 4: Consolidation of Foreign Subsidiaries using Incorrect Rates (Foreign Operations)

Further to the issue noted above in respect of inappropriate exchange rates, management used internally determined exchange rates, (transaction-based rates) to translate the foreign subsidiaries to group reporting currency, ZWL, on consolidation. We consider this to be inappropriate and in non-compliance with International Financial Reporting Standards – IAS 21 for the reasons included on Note 5h to the inflation adjusted consolidated financial statements. This impacted the financial statements of the foreign operations which were translated into the group amounts on consolidation as a result of being translated at the incorrect rate. If the correct exchange rate had been used, the following elements of the inflation adjusted consolidated statement of financial position would have been would have been materially different:

Inflation adjusted consolidated Statement of financial position

Element of Financial Statements	At transaction-based rate	At Auction rate	Impact ZWL (decrease)/ increase
Inflation adjusted Statement of Financial Position			
Property, Plant and Equipment	3 229 756 738	2 167 539 342	(1 062 217 396)
Intangible fixed assets	47 076 686	31 593 887	(15 482 799)
Right of use assets	2 863 744 183	1 921 902 696	(941 841 487)
Deferred tax assets	121 737 951	81 700 208	(40 037 743)
Total Non-current assets	6 262 315 558	4 202 736 133	(2 059 579 425)

Element of Financial Statements	At transaction-based rate	At Auction rate	Impact ZWL (decrease) /increase
Inflation adjusted Statement of Financial Position – continued			
Inventories	281 474 207	188 901 662	(92 572 544)
Trade and other receivables	313 869 065	210 642 350	(103 226 716)
Cash and bank	340 844 868	228 746 225	(112 098 643)
Total Current assets	936 188 141	628 290 237	(307 897 904)
Borrowings – third party	647 183 432	434 334 698	(212 848 734)
Lease Liability	2 645 794 338	1 775 633 208	(870 161 130)
Total Non-current Liabilities	3 292 977 770	2 209 967 907	(1 083 009 863)
Bank Overdraft	140 333 942	94 952 695	(45 381 248)
Lease Liabilities	420 837 513	282 430 517	(138 406 996)
Trade and other payables	1 471 836 571	987 772 124	(484 064 447)
Provisions	49 125 243	32 968 705	(16 156 538)
Current tax liability	2 095 322	1 406 203	(689 119)
Total Current Liabilities	2 080 037 947	1 396 717 838	(683 320 109)
Total Liabilities	5 373 015 717	3 606 685 745	(1 766 329 973)
Net Impact on Equity	1 331 664 799	1 224 340 626	(601 147 355)
Inflation adjusted Statement of Profit or Loss			
Revenue	(6 971 230 058)	(5 383 694 466)	(1 585 535 592)
Expenses	5 750 674 193	4 450 802 962	(1 299 871 231)
Other income	(279 307 042)	(208 786 394)	(70 520 648)
Operating profit before depreciation, amortisation and impairment	1 499 862 907	1 143 677 898	(356 185 009)
Depreciation and armotisation	803 968 754	622 810 536	(181 158 218)
Financial income	(88 405 987)	(64 570 525)	(23 835 462)
Interest expense	334 955 301	257 547 503	(77 407 798)
Interest income	(451 374 424)	(329 629 346)	(121 745 078)
Profit before tax	(353 051 295)	(251 896 430)	(101 154 873)
Taxation	98 323 129	77 732 925	(20 590 205)
Profit for the year	353 051 295	251 896 430	(101 154 865)

Our opinion in the prior year was modified for a similar matter but where the acceptable exchange rate was unknown and therefore our opinion is further modified for the comparability of the current year amounts with corresponding numbers as we could not quantify the differences in the prior period.

The effects of the above departures from IFRS are material and pervasive to the inflation adjusted consolidated financial statements.

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the group in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (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 adverse opinion.

Key Audit Matters

Except for the matter described in the Basis for Adverse 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, the Directors responsibility statement and historical cost financial information but does not include the inflation adjusted consolidated financial statements and our auditor's report thereon. The Sustainability report, Corporate Governance, Report of the directors and GRI Context and Index "core" is expected to be made available to us after the date of this auditor's report. Our opinion on the inflation adjusted 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 inflation adjusted consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the inflation adjusted consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, 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 Adverse Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates in respective of using internal rates for the translation of year end monetary assets in the local operations being consolidated and also for the entirety of the foreign operations being consolidated. We have concluded that the Chairman's Statements in the other information makes reference to these matters and is thus materially misstated for the same reason with respect to the amounts or other items included therein and affected by the failure to comply with the referred standard.

Responsibilities of the Directors for the Inflation adjusted consolidated financial statements

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated a 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 inflation adjusted consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

In preparing the inflation adjusted 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 Inflation Adjusted Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 inflation adjusted consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted 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 inflation adjusted 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 inflation adjusted consolidated financial statements, including the disclosures, and whether the inflation adjusted consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

INDEPENDENT AUDITOR'S REPORT (Continued)

TO THE SHAREHOLDERS OF SIMBISA BRANDS LIMITED

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the inflation adjusted consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide 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 inflation adjusted 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

ERNST & YOUNG
CHARTERED ACCOUNTANTS (ZIMBABWE)
REGISTERED PUBLIC AUDITORS

Harare

23 September 2021

Group Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL	30 June 2021 Unaudited ZWL	30 June 2020 Unaudited ZWL
Revenue from contracts with customers	9	18 797 986 371	9 044 785 811	17 068 037 632	3 103 475 214
Other income	10	306 082 589	92 541 874	301 815 843	74 832 196
Operating expenses	11	(16 690 895 818)	(8 398 655 585)	(14 910 136 943)	(2 727 529 658)
Operating profit before depreciation, amortisation and impairment		**2 413 173 142**	**738 672 100**	**2 459 716 532**	**450 777 752**
Foreign exchange and other gains	12	1 128 435 053	909 274 093	994 384 406	497 743 501
Increase in allowance for credit losses	22	(1 368 302)	(13 750 694)	(1 368 302)	(13 750 694)
Gain on monetary position		227 416 005	564 411 734	—	—
Impairment of property, plant and equipment	16	—	(19 425 183)	—	(19 425 183)
Depreciation and amortisation	16, 17 & 19	(1 006 984 962)	(429 388 863)	(836 914 269)	(273 640 687)
Profit before interest and tax		**2 760 670 936**	**1 749 793 187**	**2 615 818 367**	**641 704 689**
Interest income	13	191 425 480	71 139 851	163 366 272	18 949 245
Interest expense	13	(787 082 356)	(189 746 767)	(712 497 156)	(118 345 385)
Profit before tax		**2 165 014 060**	**1 631 186 271**	**2 066 687 483**	**542 308 549**
Income tax (expense)/credit	14	(1 331 690)	(529 608 785)	181 703 156	(144 787 224)
Profit for the year		**2 163 682 370**	**1 101 577 486**	**2 248 390 639**	**397 521 325**
Other comprehensive income - to be recycled to profit or loss in subsequent years (net of tax) when specific conditions are met					
Exchange differences on the translation of foreign operations		283 780 138	613 351 594	283 780 137	613 351 594
Other comprehensive income for the year, net of tax		**283 780 138**	**613 351 594**	**283 780 137**	**613 351 594**
Total comprehensive income for the year		**2 447 462 508**	**1 714 929 080**	**2 532 170 776**	**1 010 872 919**
Profit for the year attributable to:					
Equity holders of the parent		2 150 915 105	1 092 765 803	2 235 197 657	394 451 022
Non-controlling interests		12 767 265	8 811 683	13 192 982	3 070 303
		2 163 682 370	**1 101 577 486**	**2 248 390 639**	**397 521 325**
Total comprehensive income for the year attributable to:					
Equity holders of the parent		2 427 253 694	1 698 331 353	2 511 536 245	1000 016 570
Non-controlling interests		20 208 814	16 597 727	20 634 531	10 856 349
		2 447 462 508	**1 714 929 080**	**2 532 170 776**	**1 010 872 919**
Earnings per share (ZWL cents)					
Basic earnings per share	8.6	382.60	194.38	397.59	70.16
Diluted basic earnings per share	8.6	382.60	192.76	397.59	69.58
Headline earnings per share	8.6	382.50	197.12	397.52	73.51
Diluted headline earnings per share	8.6	382.50	195.48	397.52	72.90

Group Statement of Financial Position

as at 30 June 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL	30 June 2021 Unaudited ZWL	30 June 2020 Unaudited ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	16	5 630 794 412	4 067 315 533	3 823 249 049	2 177 032 527
Intangible assets	17	47 076 686	17 758 399	47 076 686	17 758 399
Right-of-use assets	19	3 278 118 654	1 643 870 514	3 006 164 738	1 370 208 593
Deferred tax assets	25.2	398 663 238	50 479 411	771 223 024	62 018 579
		9 354 652 990	**5 779 423 857**	**7 647 713 497**	**3 627 018 098**
Current assets					
Financial assets - current	26.1	534 106 392	191 012 109	534 106 392	92 435 346
Inventories	21	851 829 623	509 107 712	851 718 055	330 176 114
Trade and other receivables	22	1 056 784 440	326 472 729	1 056 524 645	228 394 533
Cash and cash equivalents	15.2	1 391 849 079	1 524 694 855	1 391 849 079	814 467 350
		3 834 569 534	**2 551 287 405**	**3 834 198 171**	**1 465 473 343**
Total assets		**13 189 222 524**	**8 330 711 262**	**11 481 911 668**	**5 092 491 441**
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital and share premium	23.2	542 885 223	542 885 223	18 178 323	18 178 323
Other reserves	24	875 615 826	652 981 853	898 223 283	641 181 385
Distributable reserves		3 426 912 565	1 681 830 320	2 244 017 040	403 453 013
Attributable to equity holders of the parent		**4 845 413 614**	**2 877 697 396**	**3 160 418 646**	**1 062 812 721**
Non-controlling interests		42 821 274	19 663 786	29 014 125	5 167 116
Total equity		**4 888 234 888**	**2 897 361 182**	**3 189 432 771**	**1 067 979 837**
Non-current liabilities					
Deferred tax liabilities	25.2	12 006 288	393 239 849	3 497 553	71 178 907
Borrowings - long term portion	26.2	207 336 385	455 250 178	207 336 385	455 250 178
Lease liability	19	2 725 090 376	1 313 067 917	2 725 090 376	1 091 229 101
		2 944 433 049	**2 161 557 944**	**2 935 924 314**	**1 617 658 186**
Current liabilities					
Borrowings - short term portion	26.2	1 773 780 032	937 157 016	1 773 780 032	631 479 530
Lease liability	19	482 126 174	420 025 932	482 126 174	365 710 582
Trade and other payables	27	2 844 754 696	1 796 791 560	2 844 754 696	1 353 925 470
Current tax liabilities	14.3	255 893 685	117 817 628	255 893 681	55 737 836
		5 356 554 587	**3 271 792 136**	**5 356 554 583**	**2 406 853 418**
Total liabilities		**8 300 987 636**	**5 433 350 080**	**8 292 478 897**	**4 024 511 604**
Total equity and liabilities		**13 189 222 524**	**8 330 711 262**	**11 481 911 668**	**5 092 491 441**

BASIL DIONISIO
Executive Director
Harare
23 September 2021

BALDWIN GUCHU
Executive Director

Group Statement of Changes in Equity

for the year ended 30 June 2021

		Attributable to Equity Holders of the Parent					
INFLATION ADJUSTED	Notes	Ordinary Share Capital and Share Premium ZWL	Other Reserves ZWL	Retained Earnings ZWL	Attributable to Equity Holders of the Parent Total ZWL	Non-controlling Interest ZWL	Total Equity ZWL
Balance at 1 July 2020		**542 885 223**	**652 981 853**	**1 681 830 320**	**2 877 697 396**	**19 663 784**	**2 897 361 180**
Profit for the year		—	—	2 150 915 105	2 150 915 105	12 767 265	2 163 682 370
Other comprehensive income for the year		—	276 338 589	—	276 338 589	7 441 549	283 780 138
Total comprehensive income for the year		—	276 338 589	2 150 915 105	2 427 253 694	20 208 814	2 447 462 508
Acquisition of subsidiary	18.1	—	—	—	—	13 319 098	13 319 098
Change in tax rate - Simbisa Kenya Limited		—	—	1 567 437	1 567 437	—	1 567 437
Share options lapsed during the year	24	—	(31 216 630)	31 216 630	—	—	—
Purchase of treasury shares	24	—	(22 487 986)	—	(22 487 986)	—	(22 487 986)
Dividends		—	—	(438 616 927)	(438 616 927)	(10 370 424)	(448 987 351)
Balance at 30 June 2021		**542 885 223**	**875 615 826**	**3 426 912 565**	**4 845 413 614**	**42 821 272**	**4 888 234 886**
Balance at 1 July 2019		**542 885 223**	**53 075 114**	**723 208 444**	**1 319 168 781**	**8 059 900**	**1 327 228 681**
Profit for the year		—	—	1 092 765 803	1 092 765 803	8 811 683	1 101 577 486
Other comprehensive income for the year		—	605 565 550	—	605 565 550	7 786 044	613 351 594
Total comprehensive income for the year		—	605 565 550	1 092 765 803	1 698 331 353	16 597 727	1 714 929 080
Transactions with owners	18.2 & 24	—	(209 282)	(1 047 780)	(1 257 062)	1 204 370	(52 692)
Purchase of treasury shares	24	—	(5 449 529)	—	(5 449 529)	—	(5 449 529)
Dividends		—	—	(133 096 147)	(133 096 147)	(6 198 213)	(139 294 360)
Balance at 30 June 2020		**542 885 223**	**652 981 853**	**1 681 830 320**	**2 877 697 396**	**19 663 784**	**2 897 361 180**

Group Statement of Changes in Equity (continued)

for the year ended 30 June 2021

		Attributable to Equity Holders of the Parent					
HISTORICAL COST	Notes	Ordinary Share Capital and Share Premium ZWL	Other Reserves ZWL	Retained Earnings ZWL	Attributable to Equity Holders of the Parent Total ZWL	Non-controlling Interest ZWL	Total Equity ZWL
Balance at 1 July 2020		**18 178 323**	**641 181 385**	**403 453 013**	**1 062 812 721**	**5 167 116**	**1 067 979 837**
Profit for the year		—	—	2 235 197 657	2 235 197 657	13 192 982	2 248 390 639
Other comprehensive income for the year		—	276 338 588	—	276 338 588	7 441 549	283 780 137
Total comprehensive income for the year		—	276 338 588	2 235 197 657	2 511 536 245	20 634 531	2 532 170 776
Acquisition of subsidiary	18.1	—	—	—	—	13 319 098	13 319 098
Change in tax rate - Simbisa Kenya Limited		—	—	1 366 854	1 366 854	—	1 366 854
Share options lapsed during the year	24	—	(1 074 195)	1 074 195	—	—	—
Purchase of treasury shares	24	—	(18 222 495)	—	(18 222 495)	—	(18 222 495)
Dividends		—	—	(397 074 679)	(397 074 679)	(10 106 620)	(407 181 299)
Balance at 30 June 2021		**18 178 323**	**898 223 283**	**2 244 017 040**	**3 160 418 646**	**29 014 125**	**3 189 432 771**
Balance at 1 July 2019		**18 178 323**	**36 206 354**	**45 286 075**	**99 670 752**	**(695 390)**	**98 975 362**
Profit for the year		—	—	394 451 022	394 451 022	3 070 303	397 521 325
Other comprehensive income for the year		—	605 565 548	—	605 565 548	7 786 046	613 351 594
Total comprehensive income for the year		—	605 565 548	394 451 022	1 000 016 570	10 856 349	1 010 872 919
Transactions with owners	18.2 & 24	—	(209 282)	(1 047 780)	(1 257 062)	1 204 370	(52 692)
Purchase of treasury shares	24	—	(381 235)	—	(381 235)	—	(381 235)
Dividends		—	—	(35 236 304)	(35 236 304)	(6 198 213)	(41 434 517)
Balance at 30 June 2020		**18 178 323**	**641 181 385**	**403 453 013**	**1 062 812 721**	**5 167 116**	**1 067 979 837**

Group Statement of Cash Flows

for the year ended 30 June 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL	30 June 2021 Unaudited ZWL	30 June 2020 Unaudited ZWL
Cash generated from operations	15.1	3 022 313 459	912 584 952	3 286 387 715	1 116 086 822
Interest received		191 425 480	71 139 851	166 143 447	18 871 582
Interest paid		(787 082 356)	(189 746 767)	(712 497 367)	(118 345 385)
Income tax paid	14.3	(408 875 218)	(121 672 868)	(362 116 087)	(52 414 610)
Net cash flow from operating activities		2 017 781 365	672 305 168	2 377 917 708	964 198 409
Investing activities					
Additions to property, plant and equipment - expansion		(1 093 769 669)	(280 432 836)	(1 027 622 974)	(55 119 603)
Additions to property, plant and equipment - maintenance		(171 038 796)	(509 722 675)	(151 518 108)	(303 223 750)
Proceeds on disposal of property, plant and equipment		855 968	6 010 346	680 716	931 989
Investment in financial assets		(535 533 813)	(388 816 324)	(443 667 956)	(46 304 019)
Cash from acquisition of subsidiary	18.1	3 663 388	—	3 663 388	—
Net cash outflow from investing activities		(1 795 822 922)	(1 172 961 489)	(1 618 464 934)	(403 715 383)
Financing activities					
Dividends paid by holding company		(438 616 927)	(133 096 147)	(397 074 679)	(35 236 304)
Dividends paid by subsidiaries to non-controlling interests		(10 370 424)	(6 198 213)	(10 106 620)	(6 198 213)
Proceeds from borrowings	26.2.1	1 617 295 193	968 786 702	1 414 451 221	336 212 090
Repayments of borrowings	26.2.1	(837 625 127)	(192 660 486)	(822 577 551)	(34 794 737)
Lease liabilities principal repayment		(399 523 969)	(139 888 209)	(397 899 763)	(136 860 149)
Purchases of treasury shares	24	(22 487 986)	(5 449 529)	(18 222 495)	(381 236)
Other financing activities		(293 499)	(26 245 642)	(108 014)	(108 721)
Net cash (outflow)/inflow from financing activities		(91 622 739)	465 248 476	(231 537 901)	122 632 730
Net (decrease)/increase in cash and cash equivalents		130 335 704	(35 407 845)	527 914 873	683 115 756
Effects of IAS 29 inflation adjustment on cash flow items		(312 648 336)	1 285 091 774	—	—
Effects of currency translation on cash and cash equivalents		49 466 856	113 457 416	49 466 856	113 457 416
Cash and cash equivalents at beginning of the year		1 524 694 855	161 553 510	814 467 350	17 894 178
Cash and cash equivalents at the end of the year	15.2	1 391 849 079	1 524 694 855	1 391 849 079	814 467 350

Notes to the Consolidated Financial Statements

for the year ended 30 June 2021

1. Corporate Information

Simbisa Brands Limited (Simbisa) is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange ("ZSE"). 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 inflation adjusted consolidated financial statements of Simbisa Brands Limited and its subsidiaries (collectively, the Group) for the year ended 30 June 2021 were authorised for issue in accordance with a resolution of the directors on 23 September 2021.

2. Statement of Compliance

The Group's 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 inflation in accordance with IAS 29, 'Financial Reporting in Hyperinflationary Economies'. The inflation adjusted consolidated financial statements are the primary financial statements. Historical cost financial statements have been provided as supplementary.

The principal accounting policies applied in the preparation of the consolidated financial statements are in terms of IFRS and by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE) except for the non-compliance with IAS 21, 'The Effects of Change in Foreign Exchange Rates' and its consequential impact on the inflation adjusted amounts determined in terms of IAS 29, 'Financial Reporting in Hyperinflationary Economies' as well as non-compliance with IAS 8, 'Accounting Polices, Changes in Accounting Estimates and Errors', and have been applied consistently in all material respects with those of the previous inflation adjusted consolidated financial statements, except where specifically disclosed.

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 Zimbabwean Dollars (ZWL), which is the reporting entity's functional currency and figures are rounded to the nearest ZWL.

a. Reassessment of functional currency – Year ended 30 June 2020

On the 29th of March 2020, the government of Zimbabwe issued Statutory Instrument 85 of 2020, 'Exchange Control (Exclusive Use of Zimbabwe Dollar for Domestic Transactions) (Amendment) Regulations, 2020 (No. 2)'. The SI allowed for the use of foreign currency, described as "free funds" for settlement of local transactions denominated in Zimbabwe dollars. This meant that whereas previously businesses were not allowed to price their goods and services in foreign currency, they would forthwith be allowed to do so, and collect in the said foreign currency.

As a result of this development, management performed a reassessment of the Group's Zimbabwean operations' functional currency, with the conclusion that the functional currency for the Zimbabwean operations remained ZWL despite the use of multi-currencies within the Zimbabwean economy in the last 3 months of the financial year.

b. Reassessment of functional currency – Year ended 30 June 2021

There have been no additional currency developments during the six months ended 30 June 2021.

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

Reference is made to the adverse opinion of the Independent Auditors on the 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 weekly Foreign Currency Auction System ("Auction Rate"). The Group translated foreign currency monetary assets and liabilities for Zimbabwean Operations to ZWL using transactions-based exchange rate. The Simbisa transaction-based exchange rate was also used on the same date in translating the results of foreign operations to ZWL. 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

3. Basis of preparation (continued)

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

The Directors however believe that the Auction Rate is deficient with regards to IAS 21 and cannot be considered as Spot Rate 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;
2. It does not offer immediate delivery of foreign currency transactions occurring on the auction system. 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 priorotised ahead of other bidders and get immediate settlement of the foreign currency; and
3. 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.

Furthermore, in April 2021, the International Accounting Standards Board ("IASB") released an exposure draft on a proposed amendment to IAS 21 (ED/2021/4), 'Lack of exchangeability'. IAS 21 specifies the exchange rate to use in reporting foreign currency transactions when exchangeability between two currencies is temporarily lacking. The proposed amendment addresses what an entity is required to do when a lack of exchangeability is not temporary. Paragraph 19A of the proposed amendment stipulates that when exchangeability between two currencies is lacking, an entity shall estimate the spot exchange rate at that date. The Directors believe that this amendment speaks to the current Zimbabwean economic environment.

In the considered view of the Directors, the use of transactions-based exchange rate for the translation of foreign currency monetary balances and the translation of foreign operations presents a fairer view of the Group's financial performance, financial position, and cash flows and disagree to use the Auction rate. The performance and financial position reflected by this basis of preparation has resulted in the Directors declaring a full year dividend of ZWL 132 cents per share (ZWL 53 cents interim dividend, ZWL 79 cents final dividend), for which the holding company has sufficient cash resources to settle.

The impact of the use of the transactions-based exchange rate on the financial statements is as follows:

	Inflation adjusted (ZWL Millions)		
30 June 2021	**Numbers as reported in the financial statements**	**Numbers excluding the use of Simbisa transactions -based rate**	**Impact (decrease) /increase/**
Income Statement			
Operating Profit	2,413.2	2,076.8	(336.4)
Net profit attributable to shareholders	2,150.9	1,851.5	(299.4)
Basic Earnings per share – ZWL Cents	382.60	329.33	(53.27)
Balance Sheet			
Total assets	13,189.2	10,365.2	(2,824,0)
Total liabilities	8,301.0	6,639.7	(1,661.3)
Net debt	3,796.5	3,192.0	(604.5)
Total equity	4,888.2	4,188.9	(699.3)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

3. Basis of preparation (continued)

d. 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 6a and note 36 for more information.

e. Financial reporting in a hyper inflationary economy

In October 2019, the PAAB issued a pronouncement prescribing that the application of financial reporting in hyperinflationary economies had become effective in Zimbabwe, for reporting periods starting on or after 1 July 2019. These financial statements have been prepared in accordance with IAS 29, 'Financial Reporting in Hyperinflationary Economies' together with IFRIC 7, as if the economy had been hyperinflationary from 1 July 2018.

Zimbabwe Entities

The Group adopted the Zimbabwe Consumer Price Index ("CPI") as the general price index to restate transactions and balances of its Zimbabwean operating entities. Monetary assets and liabilities and nonmonetary assets and liabilities carried at fair value have not been restated as they are presented at the measuring unit current at the end of the reporting period. Items recognised in the income statement have been restated by applying the change in the general price index from dates when the transactions were initially recorded in the Group's financial records (transaction date).

The restatement of Zimbabwean operations' financial statements was performed using conversion factors based on changes in the Consumer Price Index (CPI). The CPI is issued by the Zimbabwe National Statistical Agency (Zimstat).

The main procedures applied in the above-mentioned restatement of transactions and balances are as follows:

- All corresponding figures as of, and for the year ended 30 June 2020 (i.e. the inflation adjusted statements of Profit or Loss and Other Comprehensive Income, Financial Position and Cash Flows as restated and reported in the prior year) are restated by applying the change in the index for 30 June 2021;
- Monetary assets and liabilities as at 30 June 2021 are not restated as they are already stated in terms of the measuring unit current at the reporting date;
- Property, plant and equipment are stated at indexed cost less applicable indexed depreciation and impairment losses. The restatement of the cost and accumulated depreciation, including all movements, was done on a month-by-month basis, using applicable monthly conversion factors;
- Deferred tax assets/liabilities are recalculated using the restated temporary differences. The restated carrying amounts for assets/liabilities and the unchanged tax bases are used in calculating the restated temporary differences. Tax bases are not restated as the tax authorities do not take account of IAS 29 principles;
- Non-monetary assets and liabilities that are not carried at amounts current at the reporting date and components of equity are restated by applying the relevant monthly conversion factor, based on the aging of the originating transactions;
- Non-monetary assets and liabilities that are carried at amounts current at the reporting date, i.e. at fair value, are not restated;
- The restated cost of sales is determined using the cost of sales reconciliation method. The restated opening inventory, purchases restated from the month of transaction and restated closing inventories restated according to the month aging, are all used in determining the restated cost of sales;
- Unrealised exchange gains are calculated at the end of the reporting period, and are therefore not restated;
- The tax expense is restated two parts, current tax charge and deferred tax movements. The current tax charge is restated on a month by month basis, using the originating month conversion factors. The deferred tax movement is recalculated using the restated deferred tax asset/liability balances which are restated as explained above;
- The remaining profit or loss transactions are restated by applying the change in index from the month of transaction to 30 June 2021;
- Gains and losses arising from the net monetary asset and liability positions are included in profit or loss; and
- Statement of Cash Flow items are expressed in terms of the measuring unit current at the reporting date. Items of cash flow are restated depending on the restatement approach of the respective asset, liability or item of profit or loss. This approach results in translation difference which has been presented on the cash flow as 'Effects of IAS 29 inflation adjustment on cash flow items'. Refer to the Statement of Cash Flows.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

3. Basis of preparation (continued)

e. Financial reporting in a hyper inflationary economy (continued)

The indices and conversion factors used to restate the accompanying financial statements are as follows:

	Indices	Conversion Factors
As at 30 June 2021	2,986.4	1.00
As at 30 June 2020	1,445.2	2.07
As at 30 June 2019	172.6	17.30
Average CPI – 12 Months to 30 June 2021	2,514.2	1.21
Average CPI – 12 Months to 30 June 2021	640.4	6.45

Regional Entities

The Group's foreign subsidiaries have been converted to the presentation currency (ZWL) in line with the principles of IAS 21. These results have therefore not been restated in respect of with IAS 29.

3.1 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 30 June 2021. 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.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

3. Basis of preparation (continued)

3.1 Basis of consolidation (continued)

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 New and amended standards and interpretations issued and effective

The following standards were issued and became effective during the current financial year:

a. IFRIC Interpretation 23 Uncertainty over Income Tax Treatment

Interpretation addresses the accounting for income taxes when tax treatments involve uncertainty that affects the application of IAS 12 and does not apply to taxes or levies outside the scope of IAS 12, nor does it specifically include requirements relating to interest and penalties associated with uncertain tax treatments.

The Interpretation specifically addresses the following:
- Whether an entity considers uncertain tax treatments separately;
- The assumptions an entity makes about the examination of tax treatments by taxation authorities;
- How an entity determines taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates; and
- How an entity considers changes in facts and circumstances.

This interpretation had no significant impact on the Group's inflation adjusted consolidated financial statements.

b. Definition of a Business - Amendments to IFRS 3

The IASB issued amendments to the definition of a business in IFRS 3 Business Combinations to help entities determine whether an acquired set of activities and assets is a business or not. They clarify the minimum requirements for a business, remove the assessment of whether market participants are capable of replacing any missing elements, add guidance to help entities assess whether an acquired process is substantive, narrow the definitions of a business and of outputs, and introduce an optional fair value concentration test. New illustrative examples were provided along with the amendments.

The amendments must be applied to transactions that are either business combinations or asset acquisitions for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020. Consequently, entities do not have to revisit such transactions that occurred in prior periods.

This amendment had no significant impact on the Group's inflation adjusted consolidated financial statements.

c. Definition of Material - Amendments to IAS 1 and IAS 8

In October 2018, the IASB issued amendments to IAS 1 'Presentation of Financial Statements' and IAS 8 to align the definition of 'material' across the standards and to clarify certain aspects of the definition. The new definition states that, 'Information is material if omitting, misstating or obscuring it could reasonably be expected to influence decisions that the primary users of general purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity.'

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

4. Changes in accounting policy and disclosures (continued)

4.1 New and amended standards and interpretations issued and effective (continued)

c. Definition of Material - Amendments to IAS 1 and IAS 8 (continued)

The amendments clarify that materiality will depend on the nature or magnitude of information, or both. An entity will need to assess whether the information, either individually or in combination with other information, is material in the context of the financial statements.

Effective for annual periods beginning on or after 1 January 2020. The amendments must be applied prospectively.

These amendments had no significant impact on the Group's inflation adjusted consolidated financial statements.

d. Amendments to IFRS 7, IFRS 9 and IAS 39 Interest Rate Benchmark Reform

The amendments to IFRS 9 and IAS 39 Financial Instruments: Recognition and Measurement provide a number of reliefs, which apply to all hedging relationships that are directly affected by interest rate benchmark reform. A hedging relationship is affected if the reform gives rise to uncertainty about the timing and/or amount of benchmark-based cash flows of the hedged item or the hedging instrument.

These amendments have no impact on the inflation adjusted consolidated financial statements of the Group as it does not have any interest rate hedge relationships.

e. Conceptual Framework for Financial Reporting issued on 29 March 2018

The Conceptual Framework is not a standard, and none of the concepts contained therein override the concepts or requirements in any standard. The purpose of the Conceptual Framework is to assist the IASB in developing standards, to help preparers develop consistent accounting policies where there is no applicable standard in place and to assist all parties to understand and interpret the standards.

This will affect those entities which developed their accounting policies based on the Conceptual Framework. The revised Conceptual Framework includes some new concepts, updated definitions and recognition criteria for assets and liabilities and clarifies some important concepts.

These amendments had no impact on the inflation adjusted consolidated financial statements of the Group.

f. COVID-19-Related Rent Concessions – Amendment to IFRS 16

In May 2020, the IASB amended IFRS 16 Leases to provide relief to lessees from applying the IFRS 16 guidance on lease modifications to rent concessions arising as a direct consequence of the COVID-19 pandemic. The amendment does not apply to lessors.

As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

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

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

4. Changes in accounting policy and disclosures (continued)

4.1 New and amended standards and interpretations issued and effective (continued)

f. COVID-19-Related Rent Concessions – Amendment to IFRS 16 (continued)

The Group applied the practical expedient to all its Covid-19-Related rent concessions, and did not account for changes in lease payments resulting from these rent concessions as lease modifications.

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

There are no standards issued but not yet effective up to the date of issuance of the Group's inflation adjusted consolidated financial statements which are relevant the Group.

4.3 Annual Improvements

There are no annual improvements effective or issued during the current financial year.

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.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

a. Business combinations and Goodwill (continued)

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.

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).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

b. Revenue and other income recognition (continued)

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.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

c. Taxes (continued)

Deferred tax (continued)

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; and
- 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 29. 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.

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 23.3. 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).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

e. Share based payments (continued)

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.

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 2021.

f. 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 k).

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

f. Leases (continued)

Group as a lessee (continued)

ii) Lease liabilities (continued)

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.

g. Foreign currency translation

The Group's inflation adjusted consolidated financial statements are presented in Zimbabwe 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.

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).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

g. Foreign currency translation (continued)

Transactions and balances (continued)

Zimbabwean Entities

Transactions in foreign currencies are initially recorded by the Group's Zimbabwe entities at the official 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 ZWL exchange rate at which the Group's Zimbabwe entities transact within the value chain, and is significantly driven by the ZWL 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 or ZWL. 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 Zimbabwe Dollar (ZWL) 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 Group uses the ZWL transactions-based exchange rate for the translation of foreign operations.

The average rate of exchange is calculated by dividing the summation of the opening rate to the closing rate by two. 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.

The Group adopted the Zimbabwe dollar as the reporting currency with effect from 22 February 2019. In translating the results of foreign operations, the Group retained the official fixed exchange rate of 1:1 from the beginning of the year to 22 February 2019 and thereafter applied the interbank rate following establishment of the interbank foreign exchange rate by the Reserve Bank of Zimbabwe.

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 2021

5. Summary of significant accounting policies (continued)

h. Property, plant and equipment

Property, plant and equipment, except land, which is carried at cost, is stated at cost, excluding the costs of day to day servicing, less accumulated depreciation and accumulated impairment losses. Such 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 cost 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	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.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

k. 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.

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.

l. 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.

m. 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

m. Financial Instruments (continued)

(i) Financial assets (continued)

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.

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 2021

5. Summary of significant accounting policies (continued)

m. Financial Instruments (continued)

(i) Financial assets (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:

HISTORICAL COST AND INFLATION ADJUSTED

30 June 2021	Trade receivables				
	Days past due				
	Current	Less than 30 days	30-60 days	61-90 days	Total
Expected credit loss rate	0.00%	0.00%	0.34%	19.55%	
	ZWL	ZWL	ZWL	ZWL	ZWL
Estimated total gross carrying amount at default	224 367 474	(27 637 319)	78 733 889	95 809 040	**371 273 084**
Expected credit loss	—	—	264 454	18 729 085	**18 993 539**

INFLATION ADJUSTED

30 June 2020	Trade receivables				
	Days past due				
	Current	Less than 30 days	30-60 days	61-90 days	Total
Expected credit loss rate	0.00%	0.00%	0.03%	9.58%	
	ZWL	ZWL	ZWL	ZWL	ZWL
Estimated total gross carrying amount at default	64 656 108	5 342 938	8 729 010	129 779 289	**208 507 345**
Expected credit loss	—	—	2 244	12 433 352	**12 435 596**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

m. Financial Instruments (continued)

(i) Financial assets (continued)

HISTORICAL COST

30 June 2020	Trade receivables				
	Days past due				
	Current	Less than 30 days	30-60 days	61-90 days	Total
Expected credit loss rate	0.00%	0.00%	0.04%	13.49%	
	ZWL	ZWL	ZWL	ZWL	ZWL
Estimated total gross carrying amount at default	45 902 725	3 793 229	6 197 177	92 137 050	148 030 181
Expected credit loss	—	—	2 244	12 430 980	12 433 224

(ii) 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.

n. 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

o. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result 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 on the basis of leave days accumulated at an expected rate of payment. The timings of the cash out-flows are by their nature uncertain.

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 financial statements but are disclosed in the notes to the financial statements.

p. 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.

q. 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.

r. 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.

s. 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

5. Summary of significant accounting policies (continued)

s. Current versus non-current classification (continued)

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.

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.

a. Going Concern

The coronavirus COVID-19 pandemic is the defining global health crisis of our time. Since its emergence late 2019, the virus has spread to every continent with cases rising daily. As a Group, our customers and staff's health come first. We are keeping abreast of Government directives in each of the markets we operate in and enforcing compliance. All our shops continue to apply world class hygienic practises. Each market is offering hand sanitising on entry at a store, standing one metre apart at the till point, while also urging our customers to use our Dial-A-Delivery services and encouraging car park or kerb side pick-ups to support social distancing that will reduce the rate of infections and flatten the curve.

As a Group we continuously monitor the announcements by the authorities an adapt our business operations accordingly. At the date of authorisation of these financial statements, the Group could not reliably estimate the future financial impact that COVID-19 will have on the business and will continue to monitor developments in each market and respond accordingly.

b. 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 past 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 16 for the carrying amount of property, plant and equipment and accounting policy note on property, plant and equipment for the useful lives.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

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

c. 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 25 for more information on the deferred tax assets.

d. 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 17 for the carrying amount of goodwill and more information on the estimates and assumptions applied in performing the impairment assessment.

e. 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 21.

f. 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 past history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs are disclosed in note 30 (credit risk disclosure).

g. 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 23.3.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

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

h. 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).

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 30.4 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.

i. 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 into 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 2021

7. Reassessment of Foreign Operations Financial Statements and Hyperinflation Accounting

Effective 1 July 2020 and based on the directors' judgement, the Group reassessed and changed its treatment of the financial statements of foreign operations which operate in non-hyperinflationary economies, in the context of IAS 29, 'Financial Reporting in Hyper-Inflationary Economies'.

The reassessment was also in line with technical guidance published by the Institute of Chartered Accountants Zimbabwe ('ICAZ') in March 2021, which addressed the treatment of foreign operations within ZWL consolidated financial statements in the context of IAS 29.

For the year ended 30 June 2020, the financial statements of foreign operations were consolidated into the inflation adjusted financial statements as follows:

Statement of Profit or Loss and Other Comprehensive Income

All items of the consolidated statement of comprehensive income for the foreign operation was previously restated by applying the closing exchange rates on both prior year and current year the exchange rate ruling as at 30 June 2020.

Statement of Financial Position

All items of the consolidated financial position of the foreign operations was previously restated by applying closing exchange rates on both opening and closing balance sheet. The resultant exchange differences were all accounted for in equity as movement in foreign currency translation reserve.

Statement of Cash Flows

The inflation adjusted statement of cash flows for regional operations was recalculated based on the restated statements of profit or loss and other comprehensive income and financial position.

Effective 1 July 2020 and for the purposes of hyper-inflation accounting, the Group accounted for the financial statements of regional operations in accordance with IAS 21 as follows:

Statement of Profit or Loss and other comprehensive income

All items of the monthly consolidated statement of comprehensive income for the foreign operations for both the current year (12 months to 30 June 2021) and prior year (12 months to 30 June 2020) were converted to ZWL using the month average exchange rate for the respective months.

Statement of Financial Position

All items of the consolidated financial position of the foreign operations were restated by applying closing exchange rates on both opening and closing balance sheet (30 June 2020 and 30 June 2021 respectively).

Statement of Cash Flows

The inflation adjusted statement of cash flows for regional operations was the same as the one for historical cost purposes.

The above approach will also be used in subsequent periods. The Group believes that there assessment will result in a more accurate reflection of what transpired within the regional operations in accordance with the requirements of IAS 21 and without considering the impact of inflation on the ZWL.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

7. Reassessment of Foreign Operations Financial Statements and Hyperinflation Accounting (continued)

The impact of the reassessment on the Group Inflation adjusted consolidated financial statements for the year ended 30 June 2020 (prior year) is as follows:

	Before reassessment Inflation adjusted ZWL	Reassessment impact ZWL	After reassessment Inflation adjusted ZWL
Statement of financial position - 30 June 2020			
Non-current assets			
Property, plant and equipment	4 875 473 154	(808 157 621)	4 067 315 533
Intangible assets	24 861 758	(7 103 359)	17 758 399
Right-of-use assets	2 089 308 932	(445 438 418)	1 643 870 514
Deferred tax assets	70 671 175	(20 191 764)	50 479 411
	7 060 315 019	**(1 280 891 162)**	**5 779 423 857**
Current assets			
Financial assets - current	191 012 109	—	191 012 109
Inventories	574 572 675	(65 464 963)	509 107 712
Trade and other receivables	357 956 928	(31 484 199)	326 472 729
Cash and cash equivalents	1 584 089 906	(59 395 051)	1 524 694 855
	2 707 631 618	**(156 344 213)**	**2 551 287 405**
Total assets	**9 767 946 637**	**(1 437 235 375)**	**8 330 711 262**
EQUITY AND LIABILITIES			
Equity			
Share capital and share premium	542 885 223	—	542 885 223
Distributable reserves	2 840 431 385	(1 158 601 065)	1 681 830 320
Other reserves	(198 013 644)	850 995 497	652 981 853
	3 185 302 964	**(307 605 568)**	**2 877 697 396**
Non-controlling interests	21 239 162	(1 575 376)	19 663 786
Total equity	**3 206 542 126**	**(309 180 944)**	**2 897 361 182**
Non-current liabilities			
Deferred tax liabilities	393 239 849	—	393 239 849
Borrowings - long term portion	1 126 315 279	(671 065 101)	455 250 178
Lease liability	1 666 352 331	(353 284 414)	1 313 067 917
	3 185 907 459	**(1 024 349 515)**	**2 161 557 944**
Current liabilities			
Borrowings - short term portion	566 997 110	370 159 906	937 157 016
Lease liability	545 937 580	(125 911 648)	420 025 932
Trade and other payables	2 145 734 466	(348 942 906)	1 796 791 560
Current tax liabilities	116 827 896	989 732	117 817 628
	3 375 497 052	**(103 704 916)**	**3 271 792 136**
Total liabilities	**6 561 404 511**	**(1 128 054 431)**	**5 433 350 080**
Total equity and liabilities	**9 767 946 637**	**(1 437 235 375)**	**8 330 711 262**

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Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

7. Reassessment of Foreign Operations Financial Statements and Hyperinflation Accounting (continued)

	Before reassessment Inflation adjusted ZWL	Reassessment impact ZWL	After reassessment Inflation adjusted ZWL
Statement of profit or loss and other comprehensive income for the year ended 30 June 2020			
Revenue	**15 319 525 203**	**(6 274 739 392)**	**9 044 785 811**
Cost of Sales	(7 666 962 395)	2 754 913 916	(4 912 048 479)
Gross Profit	**7 652 562 808**	**(3 519 825 476)**	**4 132 737 332**
Other Income	180 233 707	(87 691 833)	92 541 874
Operating expenses	(5 949 897 024)	2 449 539 224	(3 500 357 800)
Operating profit before depreciation, amortisation and impairment	**1 882 899 491**	**(1 157 978 085)**	**724 921 406**
Gain on monetary position	564 411 734	—	564 411 734
Foreign exchange and other gains	983 305 843	(74 031 750)	909 274 093
Depreciation, amortisation and impairment	(1 206 200 410)	757 386 364	(448 814 046)
Profit before interest and tax	**2 224 416 658**	**(474 623 471)**	**1 749 793 187**
Interest income	85 293 812	(14 153 961)	71 139 851
Interest expense	(477 997 834)	288 251 067	(189 746 767)
Profit before tax	**1 831 712 636**	**(200 526 365)**	**1 631 186 271**
Income tax expense	(650 625 115)	121 016 330	(529 608 785)
Profit for the year	**1 181 087 521**	**(79 510 035)**	**1 101 577 486**
Exchange differences arising on the translation of foreign operations	(30 993 366)	644 344 960	613 351 594
Other comprehensive income for the year, net of tax	**(30 993 366)**	**644 344 960**	**613 351 594**
Total comprehensive income for the year	**1 150 094 155**	**564 834 925**	**1 714 929 080**
Profit for the year attributable to:			
Equity holders of the parent	1 158 593 276	(65 827 473)	1 092 765 803
Non-controlling interests	22 494 245	(13 682 562)	8 811 683
	1 181 087 521	**(79 510 035)**	**1 101 577 486**
Total comprehensive income for the year attributable to:			
Equity holders of the parent	1 127 599 910	570 731 443	1 698 331 353
Non-controlling interests	22 494 245	(5 896 518)	16 597 727
	1 150 094 155	**564 834 925**	**1 714 929 080**
Earnings per share (ZWL cents)			
Basic earnings per share	207.92	(13.54)	194.38
Headline earnings per share	213.51	(16.39)	197.12
Diluted earnings per share	207.92	(15.16)	192.76
Diluted headline earnings per share	213.51	(18.04)	195.48

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

7. Reassessment of Foreign Operations Financial Statements and Hyperinflation Accounting (continued)

	Before reassessment Inflation adjusted ZWL	Reassessment impact ZWL	After reassessment Inflation adjusted ZWL
Statement of cash flows - Year ended 30 June 2020			
Net cash flow from operating activities	2 964 742 697	(2 292 437 529)	672 305 168
Net cash outflow investing activities	(1 420 710 089)	247 748 600	(1 172 961 489)
Net cash inflow from financing activities	(199 065 921)	664 314 397	465 248 476
Statement of financial position - 01 July 2019			
Opening shareholders equity	2 241 761 681	(914 533 000)	1 327 228 681

8. Earnings per share

8.1 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.

8.2 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 the conversion of share options. Share options are considered for dilution if the average market price of ordinary shares during the year exceeded the exercise price of such options.

8.3 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.

The following reflects the income and share data used in the basic, headline and diluted earnings per share computations:

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL	30 June 2021 Unaudited ZWL	30 June 2020 Unaudited ZWL
8.4 Basic and Diluted Earnings				
Profit attributable to equity holders of the parent (basic and diluted earnings)	2 150 915 105	1 092 765 803	2 235 197 657	394 451 022
	Number of shares	Number of shares	Number of shares	Number of shares
8.5 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	562 184 788	562 184 788
Effect of dilution from share options	—	4 734 357	—	4 734 357
Weighted average number of ordinary shares in issue adjusted for effect of dilution	562 184 788	566 919 145	562 184 788	566 919 145

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

8. Earnings per share (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL	30 June 2021 Unaudited ZWL	30 June 2020 Unaudited ZWL
8.6 Reconciliation of Basic Earnings to Headline Earnings:				
Profit for the year attributable to equity holders of the parent	2 150 915 105	1 092 765 803	2 235 197 657	394 451 022
Adjustments (gross of tax):				
Profit on disposal of property, plant and equipment	(709 810)	(5 297 035)	(538 271)	(780 999)
Impairment of property, plant and equipment	—	19 425 173	—	19 425 173
Tax effect on adjustments	175 465	1 309 427	133 061	193 063
Headline earnings attributable to equity holders of the parent	2 150 380 760	1 108 203 368	2 234 792 447	413 288 259
	ZWL cents	ZWL cents	ZWL cents	ZWL cents
Basic earnings per share	382.60	194.38	397.59	70.16
Diluted basic earnings per share	382.60	192.76	397.59	69.58
Headline earnings per share	382.50	197.12	397.52	73.51
Diluted headline earnings per share	382.50	195.48	397.52	72.90

At 30 June 2021, there were no share options (2020: 5 400 000 share options) 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
9. 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:				
Nature of revenue				
Sale of goods	18 617 985 771	9 025 383 729	16 888 037 032	3 084 073 132
Royalty and franchise revenue	180 000 600	19 402 082	180 000 600	19 402 082
	18 797 986 371	9 044 785 811	17 068 037 632	3 103 475 214

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
9. Revenue from contracts with customers (continued)				
Segments				
Zimbabwe	11 826 756 313	7 378 482 179	10 096 807 575	1 437 171 583
Region	6 971 230 058	1 666 303 632	6 971 230 057	1 666 303 631
	18 797 986 371	9 044 785 811	17 068 037 632	3 103 475 214
Timing of revenue recognition				
Goods transferred at a point in time	18 617 985 771	9 025 383 729	16 888 037 032	3 084 073 132
Services transferred over time	180 000 600	19 402 082	180 000 600	19 402 082
	18 797 986 371	9 044 785 811	17 068 037 632	3 103 475 214
Refer to note 22 for contract balances (trade receivables).				
10. Other income				
Sundry income*	263 313 635	78 478 546	259 219 083	60 925 792
Rebates	38 636 366	413 815	38 636 366	413 815
Rent concessions	3 080 592	13 358 645	3 080 592	13 358 645
Fee Income	1 051 996	290 868	879 802	133 944
	306 082 589	92 541 874	301 815 843	74 832 196
* Sundry income mainly includes sale of scrap and outside catering services				
11. Operating expenses				
Raw materials and consumables used	9 924 456 031	4 912 048 479	8 721 409 518	1 467 793 457
Staff costs	3 262 958 378	1 564 006 020	2 995 407 319	617 251 251
Audit fees and expenses (note 11.1)	45 036 164	49 677 188	40 856 864	12 412 615
Short term lease expense	542 487	299 183	467 491	59 571
Variable lease payments	690 864 000	328 500 475	610 871 654	74 929 272
Electricity, Water and other utility costs	558 124 681	289 738 453	527 902 789	133 918 771
Repairs and maintenance	359 938 943	155 036 380	323 658 784	51 496 352
Fuel	85 493 048	120 711 217	77 959 096	33 937 192
Advertising and marketing	394 489 915	198 907 234	360 456 883	64 763 546
Security	71 815 708	47 204 028	61 887 494	9 398 975
Insurance and licenses	164 888 621	104 155 253	148 123 117	30 143 470
Royalty	42 925 806	34 103 049	44 734 022	10 151 508
Bank Charges	235 916 386	150 048 637	210 077 635	39 677 622
Cleaning	216 451 125	93 272 531	198 163 566	31 095 549
Consultancy costs	51 026 133	38 231 795	43 971 989	7 612 479
Printing and Stationery	80 973 865	50 272 494	73 868 616	15 487 145
Communication costs	25 765 082	18 405 542	22 921 102	11 499 907
Travel and Accommodation	49 630 660	37 415 837	44 953 735	20 866 704
Freight and Transport	254 640 464	106 437 929	239 866 954	55 388 596
Other operating expenses*	174 958 321	100 183 861	162 578 315	39 645 676
	16 690 895 818	8 398 655 585	14 910 136 943	2 727 529 658

* Other operating expenses mainly comprise of general administration costs.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
11. Operating expenses (continued)				
11.1 Audit fees and expenses				
Current year	45 036 164	49 677 188	40 856 864	12 412 615
	45 036 164	49 677 188	40 856 864	12 412 615
11.2 Key management compensation				
Non-executive directors - fees	16 061 822	20 946 578	13 503 911	3 929 237
Key management remuneration	536 607 525	196 936 642	493 470 180	68 489 846
	552 669 347	217 883 220	506 974 091	72 419 083
12. Foreign exchanges and other gains				
Exchange gains - realised	881 720 854	411 345 060	748 244 221	227 292 029
Exchange gains - unrealised	246 004 389	492 631 998	246 004 389	269 670 473
Profit on disposal of property plant and equipment	709 810	5 297 035	135 796	780 999
	1 128 435 053	909 274 093	994 384 406	497 743 501
13. Interest income and expense				
Interest income				
- Short-term bank deposits and other financial assets	191 425 480	71 139 851	163 366 272	18 949 245
Interest expense				
- Borrowings	(525 528 554)	(104 008 770)	(453 799 992)	(42 064 107)
- Lease liabilities	(261 553 802)	(85 737 997)	(258 697 164)	(76 281 278)
	(787 082 356)	(189 746 767)	(712 497 156)	(118 345 385)
Net interest expense	(595 656 876)	(118 606 916)	(549 130 884)	(99 396 140)
14. Tax				
14.1 Income tax expense/(credit)				
Current income tax charge	701 570 015	128 691 415	565 726 220	91 188 790
Deferred tax (credit)/charge	(700 238 325)	400 917 370	(747 429 374)	53 598 434
	1 331 690	529 608 785	(181 703 156)	144 787 224
14.2 Tax rate reconciliation	**%**	**%**	**%**	**%**
Zimbabwe statutory tax rate	24.72%	24.72%	24.72%	24.72%
Adjusted for:				
Effect of IAS 29	4.82%	-2.09%	—	—
Opening income tax values rebasing	-33.44%	—	-35.03%	—
Exempt income - monetary gain	2.60%	8.55%	—	—
Depreciation on assets that do not qualify for tax claims	0.04%	0.03%	0.04%	0.09%
Disallowable expenditure*	2.03%	0.65%	2.13%	1.95%
Tax losses for which deferred tax assets have not been recognised	1.09%	0.02%	1.14%	0.06%
Change in tax rate - Regional/Zimbabwe Operations	0.06%	-0.35%	0.06%	-1.06%
Foreign tax rates	-1.86%	0.94%	-1.85%	0.94%
Effective tax rate	0.06%	32.47%	-8.79%	26.70%

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
14. Tax (continued)					
14.3 Movement in current income tax liabilities					
Current income tax liability (net) at the beginning of the period		117 817 628	452 205	55 737 836	2 950 834
Amounts charged to profit and loss	14.1	701 570 015	128 691 415	565 726 220	91 188 790
Effect of IAS 29		(151 164 453)	96 334 053	—	—
Foreign currency exchange movements		(3 454 287)	14 012 823	(3 454 288)	14 012 822
Tax paid		(408 875 218)	(121 672 868)	(362 116 087)	(52 414 610)
Current income tax (asset)/liability (net) at the end of the period		255 893 685	117 817 628	255 893 681	55 737 836
Net current income tax asset at 30 June is presented as below on the statement of financial position:					
- Current tax asset		—	—	—	—
- Current tax liability		255 893 685	117 817 628	255 893 680	55 737 836
		255 893 685	**117 817 628**	**255 893 680**	**55 737 836**
15. Cash flow information					
15.1 Cash generated from operations					
Profit before tax		2 165 014 060	1 631 186 271	2 066 687 483	542 308 549
Depreciation	16, 19	1 003 974 487	429 388 863	833 903 794	273 640 688
Asset write off/impairment of property, plant and equipment		—	19 425 183	—	19 425 183
Gain on monetary position		(227 416 005)	(564 411 734)	—	—
Profit on disposal of property, plant and equipment	12	(709 810)	(5 297 035)	(135 796)	(780 999)
Amortisation of intangible assets	17	3 010 475	—	3 010 475	—
Unrealised exchange gains	12	(246 004 389)	(492 631 998)	(246 004 389)	(269 670 473)
Interest income	13	(191 425 480)	(71 139 851)	(163 366 272)	(18 949 245)
Interest expense	13	787 082 356	189 746 767	712 497 156	118 345 385
Allowance for credit losses	22	1 368 302	13 750 694	1 368 302	13 750 694
Leave pay provision		27 575 931	13 706 832	25 888 346	6 633 066
Other non cash movements		(1 125 535)	—	(1 953 624)	—
Cash generated before changes in working capital		**3 321 344 392**	**1 163 723 992**	**3 231 895 475**	**684 702 848**
Increase in inventories		(384 419 607)	(205 367 719)	(563 239 633)	(311 302 900)
Increase in receivables		(1 240 419 898)	(353 158 716)	(1 316 298 299)	(408 563 573)
Increase in payables		1 325 808 572	307 387 395	1 934 030 172	1 151 250 447
Cash generated from operations		**3 022 313 459**	**912 584 952**	**3 286 387 715**	**1 116 086 822**
15.2 Cash and cash Equivalents					
Cash at bank and on hand		1 391 849 079	1 524 694 855	1 391 849 079	814 467 350

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 2021

16. Property, plant and equipment

INFLATION ADJUSTED

30 June 2021	Freehold property ZWL	Leasehold improvements ZWL	Plant, Fittings & Equipment ZWL	Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2020	**54 947 532**	**2 021 324 402**	**3 646 024 016**	**245 292 946**	**650 973 110**	**6 618 562 006**
Additions	—	384 585 700	597 946 075	46 791 909	235 484 781	1 264 808 465
Acquisition of subsidiary	—	—	4 002 709	12 854 829	—	16 857 538
Disposals	—	(3 122 228)	(7 655 687)	(14 593 471)	(5 758)	(25 377 144)
Transfers in/(out)	—	9 757 765	7 361 010	(38 223)	(17 118 747)	(38 195)
Exchange movements	—	383 358 186	892 037 787	32 561 108	40 541 271	1 348 498 352
At 30 June 2021	**54 947 532**	**2 795 903 825**	**5 139 715 910**	**322 869 098**	**909 874 657**	**9 223 311 022**
Depreciation						
At 1 July 2020	**4 464 488**	**681 206 707**	**1 741 132 212**	**124 443 066**	**—**	**2 551 246 473**
Disposals	—	(2 638 290)	(7 252 840)	(15 339 853)	—	(25 230 983)
Charge for the year	1 373 688	109 076 648	372 521 946	29 234 546	—	512 206 828
Transfers in/(out)	—	—	(932)	(10 984)	—	(11 916)
Exchange movements	—	125 110 657	403 110 675	26 084 876	—	554 306 208
At 30 June 2021	**5 838 176**	**912 755 722**	**2 509 511 061**	**164 411 651**	**—**	**3 592 516 610**
Net carrying amount						
At 1 July 2020	**50 483 044**	**1 340 117 695**	**1 904 891 804**	**120 849 880**	**650 973 110**	**4 067 315 533**
At 30 June 2021	**49 109 356**	**1 883 148 103**	**2 630 204 849**	**158 457 447**	**909 874 657**	**5 630 794 412**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

16. Property, plant and equipment (continued)

INFLATION ADJUSTED

30 June 2020	Freehold property ZWL	Leasehold improvements ZWL	Plant, Fittings & Equipment ZWL	Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2019	54 947 532	1 067 718 247	1 355 435 520	99 693 063	275 317 092	2 853 111 454
Additions	—	90 815 310	307 863 806	50 036 192	341 440 203	790 155 511
Disposals	—	(1 192 076)	(5 286 910)	(1 146 866)	—	(7 625 852)
Disposal of subsidiary	—	14 829 233	20 489 500	234 252	(35 552 985)	—
Asset write-off	—	(15 177 921)	(11 652 613)	—	—	(26 830 534)
Exchange movements	—	864 331 609	1 979 174 713	96 476 305	69 768 800	3 009 751 427
At 30 June 2020	54 947 532	2 021 324 402	3 646 024 016	245 292 946	650 973 110	6 618 562 006
Depreciation						
At 1 July 2019	3 090 799	323 909 490	670 408 334	48 342 796	—	1 045 751 419
Disposals	—	(868 461)	(5 588 506)	(455 574)	—	(6 912 541)
Charge for the year	1 373 689	74 014 388	184 690 623	13 857 030	—	273 935 730
Asset write-off	—	(5 542 465)	(1 862 886)	—	—	(7 405 351)
Exchange movements	—	289 693 755	893 484 647	62 698 814	—	1 245 877 216
At 30 June 2020	4 464 488	681 206 707	1 741 132 212	124 443 066	—	2 551 246 473
Net carrying amount						
At 1 July 2019	51 856 732	743 808 756	685 027 186	51 350 268	275 317 092	1 807 360 035
At 30 June 2020	50 483 044	1 340 117 695	1 904 891 804	120 849 880	650 973 110	4 067 315 533

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

16. Property, plant and equipment (continued)

HISTORICAL COST

30 June 2021	Freehold property ZWL	Leasehold improvements ZWL	Plant, Fittings & Equipment ZWL	Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2020	1 839 899	1 007 346 371	2 374 843 117	127 100 868	131 293 557	3 642 423 812
Additions	—	386 017 860	584 062 995	44 946 619	164 113 608	1 179 141 082
Acquisition of subsidiary	—	—	4 002 709	12 854 829	—	16 857 538
Disposals	—	(3 122 228)	(8 041 939)	(14 608 345)	(5 405)	(25 777 917)
Transfers in/(out)	—	9 306 196	6 571 171	(35 323)	(15 876 992)	(34 948)
Exchange movements	—	383 358 186	892 458 903	32 561 108	40 541 311	1 348 919 508
At 30 June 2021	1 839 899	1 782 906 385	3 853 896 956	202 819 756	320 066 079	6 161 529 075
Depreciation						
At 1 July 2020	149 490	341 087 730	1 051 764 249	72 389 816	—	1 465 391 285
Disposals	—	(2 638 290)	(7 248 183)	(15 346 524)	—	(25 232 997)
Charge for the year	45 997	59 649 560	267 841 829	16 306 753	—	343 844 139
Transfers in/(out)	—	—	—	(35 323)	—	(35 323)
Exchange movements	—	125 110 657	403 110 606	26 091 659	—	554 312 922
At 30 June 2021	195 487	523 209 657	1 715 468 501	99 406 381	—	2 338 280 026
Net carrying amount						
At 1 July 2020	1 690 409	666 258 641	1 323 078 868	54 711 052	131 293 557	2 177 032 527
At 30 June 2021	1 644 412	1 259 696 728	2 138 428 455	103 413 375	320 066 079	3 823 249 049

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

16. Property, plant and equipment (continued)

HISTORICAL COST

30 June 2020	Freehold property ZWL	Leasehold improvements ZWL	Plant, Fittings & Equipment ZWL	Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2019	**1 839 899**	**101 265 244**	**181 672 190**	**11 287 018**	**11 257 291**	**307 321 642**
Additions	—	55 625 529	226 486 522	19 365 773	56 865 529	358 343 353
Disposals	—	(1 192 440)	(5 271 871)	(152 311)	—	(6 616 622)
Asset write-off	—	(15 177 921)	(11 652 613)	—	—	(26 830 534)
Transfers in/(out)	—	2 494 350	4 381 900	124 083	(7 000 333)	—
Exchange movements	—	864 331 609	1 979 226 989	96 476 305	70 171 070	3 010 205 973
At 30 June 2020	**1 839 899**	**1 007 346 371**	**2 374 843 117**	**127 100 868**	**131 293 557**	**3 642 423 812**
Depreciation						
At 1 July 2019	**103 493**	**33 030 133**	**87 186 972**	**6 161 426**	**—**	**126 482 024**
Disposals	—	(864 125)	(5 545 705)	(55 801)	—	(6 465 631)
Charge for the year	45 997	24 770 432	78 503 159	3 527 108	—	106 846 696
Asset write-off	—	(5 542 465)	(1 862 886)	—	—	(7 405 351)
Exchange movements	—	289 693 755	893 482 709	62 757 083	—	1 245 933 547
At 30 June 2020	**149 490**	**341 087 730**	**1 051 764 249**	**72 389 816**	**—**	**1 465 391 285**
Net carrying amount						
At 1 July 2019	**1 736 406**	**68 235 111**	**94 485 218**	**5 125 592**	**11 257 291**	**180 839 618**
At 30 June 2020	**1 690 409**	**666 258 641**	**1 323 078 868**	**54 711 052**	**131 293 557**	**2 177 032 527**

Impairment of items of Property, plant and equipment - Zambian Operations Prior Year

The impairment of property, plant and equipment charged to profit or loss relates to operating sites for which leases were terminated. The leasehold improvements and plant, fittings and equipment for these sites could not be transferred to other sites within the Zambian Operations. Therefore, management resolved to fully impair or write off the assets. The fair value of these assets was determined to be ZWLnil 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

17. Intangible assets

HISTORICAL COST

30 June 2021	Goodwill on acquisition ZWL	Other ZWL	Group Total ZWL
Net carrying amount 1 July 2020	**17 758 399**	**—**	**17 758 399**
Gross carrying amount	17 758 399	18 088	17 776 487
Accumulated amortisation	—	(18 088)	(18 088)
Acquisition of subsidiary	6 040 373	12 438 558	18 478 931
Amortisation	—	(3 010 475)	(3 010 475)
Exchange movements	8 541 349	5 308 482	13 849 831
Net carrying amount 30 June 2021	**32 340 121**	**14 736 565**	**47 076 686**
Gross carrying amount	32 340 121	18 333 372	50 673 493
Accumulated amortisation	—	(3 596 807)	(3 596 807)
30 June 2020			
Net carrying amount 1 July 2019	**1 306 626**	**—**	**1 306 626**
Gross carrying amount	1 306 626	18 088	1 324 714
Accumulated amortisation	—	(18 088)	(18 088)
Exchange movements	16 451 773	—	16 451 773
Net carrying amount 30 June 2020	**17 758 399**	**—**	**17 758 399**
Gross carrying amount	17 758 399	18 088	17 776 487
Accumulated amortisation	—	(18 088)	(18 088)

HISTORICAL COST

30 June 2021	Goodwill on acquisition ZWL	Other ZWL	Group Total ZWL
Net carrying amount 1 July 2020	**17 758 399**	**—**	**17 758 399**
Gross carrying amount	17 758 399	18 088	17 776 487
Accumulated amortisation	—	(18 088)	(18 088)
Acquisition of subsidiary	6 040 373	12 438 558	18 478 931
Amortisation	—	(3 010 475)	(3 010 475)
Exchange movements	8 541 349	5 308 482	13 849 831
Net carrying amount 30 June 2021	**32 340 121**	**14 736 565**	**47 076 686**
Gross carrying amount	32 340 121	18 333 372	50 673 493
Accumulated amortisation	—	(3 596 807)	(3 596 807)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

17. Intangible assets (continued)

HISTORICAL COST

30 June 2020	Goodwill on acquisition ZWL	Other ZWL	Group Total ZWL
Net carrying amount 1 July 2019	**1 306 626**	**—**	**1 306 626**
Gross carrying amount	1 306 626	18 088	1 324 714
Accumulated amortisation	—	(18 088)	(18 088)
Exchange movements	16 451 773	—	16 451 773
Net carrying amount 30 June 2020	**17 758 399**	**—**	**17 758 399**
Gross carrying amount	17 758 399	18 088	17 776 487
Accumulated amortisation	—	(18 088)	(18 088)

Goodwill

The Group performed its annual impairment tests as at 30 June 2021. Goodwill arising on acquisition of subsidiaries has been allocated to cash generating units, i.e. business units. As at 30 June 2021, 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.

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 2021

18. Changes in interests in subsidiaries

Acquisitions in 2021

18.1 Acquisition of interest in Kutuma Kenya Limited

Effective 1 July 2020, the Group acquired 75% interest in Kutuma Kenya Limited through it's subsidiary Simbisa International Franchising Limited. The transaction gave the Group control with effect from 1 July 2020. Kutuma Kenya Limited is a food delivery company, whose clients comprise Simbisa Kenya Limited's Dial-A-Delivery and other third party restaurants. Non-controlling interests have been measured at the proportionate share of net assets value, based on book value. The book value approximates fair value.

As at the date of acquisition, this transaction gave rise to goodwill of ZWL6,040,373 and non controliing interests of ZWL13,319,098.

	1 July 2020 Restated ZWL
Net assets	
Property, plant and equipment	(16 857 538)
Intangible assets	(12 438 554)
Receivable Equity	(20 955 900)
Trade and other receivables	(4 471 075)
Cash and cash equivalents	(3 124 172)
Trade and other payables	4 428 884
Fair value of net assets of subsidiary at acquisition date	**(53 418 355)**
Less non-controlling interests therein	13 319 098
Fair value of net assets acquired	**(40 099 257)**
Goodwill	(6 040 373)
Consideration paid	**(46 139 630)**
Plant and equipment transferred	(13 385 431)
Loans advanced	(32 754 199)
Impact on statement of cash flows:	
Cash Consideration paid	—
Add cash and cash equivalents acquired	3 663 388
Net cash inflow	**3 663 388**

The financial performance for Kutuma Kenya Limited for the year ended 30 June 2021 is as follows:

Revenue frot he year	172 634 639
Loss for the year	(25 216 194)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

18. Changes in interests in subsidiaries (continued)

Acquisitions in 2020

18.2 Acquisition of additional interest in Mauritius

Effective 1 July 2019, the Group acquired the remaining 12.5% interest in Simbisa Brands Mauritius for ZWL52,692. The transaction did not result in a change in control and has been treated as a transaction among owners, with a difference of ZWL1,257,062 recognised in equity.

	HISTORICAL COST AND INFLATION ADJUSTED
	1 July 2019 Restated ZWL
Consideration paid to non-controlling interests	52 692
Less: Carrying value of additional interest acquired (debit balance transferred from NCI)	1 204 370
Difference recognised in distributable reserves	1 257 062

The consideration paid was in the form of property, plant and equipment transferred to non-controlling interests. This comprised leasehold improvements, plant, fittings and equipment.

19. 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:

	INFLATION ADJUSTED	HISTORICAL COST
	Audited ZWL	Unaudited ZWL
Right-of-use asset		
As at 1 July 2019	—	—
Initial Recognition	232 887 548	191 614 165
Non-cash additions	25 367 685	3 101 023
Disposals	(4 097 155)	(4 097 155)
Depreciation expense	(174 878 316)	(166 793 991)
Remeasurement	466 014 160	220 017 089
Effect of IAS 29	(27 790 870)	—
Exchange differences on translation of foreign subsidiaries	1 126 367 462	1 126 367 462
As at 30 June 2020	**1 643 870 514**	**1 370 208 593**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

19. Leases (continued)

	INFLATION ADJUSTED	HISTORICAL COST
	Audited ZWL	Unaudited ZWL
Right-of-use asset (continued)		
As at 30 June 2020	**1 643 870 514**	**1 370 208 593**
Non-cash additions	1 687 481 342	1 687 481 342
Remeasurement	(166 582 041)	(166 582 041)
Depreciation expense	(491 767 660)	(490 059 655)
Exchange differences on translation of foreign subsidiaries	605 116 499	605 116 499
As at 30 June 2021	**3 278 118 654**	**3 006 164 738**
Set out below are the carrying amounts of lease liabilities and the movements during the year:		
Lease liability		
As at 1 July 2019	—	—
Initial Recognition	232 887 548	191 614 165
Non-cash additions	15 033 170	1 560 721
Accretion of interest	85 737 997	76 281 277
Payments	(225 626 206)	(211 900 636)
Remeasurement	457 182 895	220 017 089
Effect of IAS 29	(11 488 622)	—
Exchange differences on translation of foreign subsidiaries	1 179 367 067	1 179 367 067
As at 30 June 2020	**1 733 093 849**	**1 456 939 683**
Non-cash additions	1 626 249 955	1 626 249 955
Accretion of interest	261 553 802	258 697 164
Payments	(661 077 797)	(655 811 719)
Remeasurement	(142 397 238)	(120 298 048)
Effect of IAS 29	(251 645 536)	—
Exchange differences on translation of foreign subsidiaries	641 439 515	641 439 515
As at 30 June 2021	**3 207 216 550**	**3 207 216 550**
Split as follows:		
30 June 2021		
Non-current	2 725 090 376	2 725 090 376
Current	482 126 174	482 126 174
Total	**3 207 216 550**	**3 207 216 550**
30 June 2020		
Non-current	1 313 067 917	1 091 229 101
Current	420 025 932	365 710 582
Total	**1 733 093 849**	**1 456 939 683**

Group as a lessor

The Group does not have leases in which it is a lessor.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

20. Group structure and companies

The structure below shows the Group's effective ordinary shareholding and excludes dormant companies.

	Country of incorporation	30 June 2021 % interest	30 June 2020 % interest
Simbisa Brands Zimbabwe (Private) Limited (formerly Axeaq Investments (Private) Limited)	Zimbabwe	100.00%	100.00%
Invercarge 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%
Kutuma Kenya Limited	Kenya	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 Namibia Limited	Namibia	100.00%	100.00%
Simbisa Brands Limited Employee Share Trust	Zimbabwe	**	**

** The Group consolidated the results of Simbisa Brands Limited Employee Share Trust with effect from 1 July 2019, after determining that the Group had control of the Trust.

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
21. Inventories				
Consumable stores	274 105 657	119 370 199	274 058 103	65 686 768
Finished products	85 338 056	58 658 748	85 334 764	51 813 091
Raw materials and packaging	455 846 271	323 013 846	455 792 253	208 403 868
Goods in transit	36 539 639	8 064 919	36 532 935	4 272 387
	851 829 623	509 107 712	851 718 055	330 176 114

The amount of write-down of inventories recognised as an expense in the statement of profit and loss is ZWL Nil (2020 ZWL Nil, {ZWL Nil historical cost}). ZWL Nil (2020 ZWL 317,569,429 {ZWL 153,679,472 historical cost}) of inventories was pledged as security for borrowings.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
22. Trade and other receivables				
Trade receivables	84 311 847	65 845 676	84 311 847	25 637 634
Prepayments	704 504 894	130 400 979	704 245 100	92 797 576
Other receivables	286 961 238	142 661 670	286 961 237	122 392 547
	1 075 777 979	338 908 325	1 075 518 184	240 827 757
Allowance for credit losses	(18 993 539)	(12 435 596)	(18 993 539)	(12 433 224)
	1 056 784 440	326 472 729	1 056 524 645	228 394 533

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.

Prepayments include rental deposits and amounts paid in advance for various goods and services.

Changes in trade receivables during the year include ZWL 4,471,075 (ZWL 4,471,075 historical cost) from the acquisition of a subsidiary, Kutuma Kenya Limited (Note 18.1). 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:

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
Balance at the beginning of the period	12 435 596	371 542	12 433 224	21 474
Exchange movements	5 192 013	(1 338 944)	5 192 013	(1 338 944)
Effect of IAS 29	(2 372)	(347 696)	—	—
Increase in allowance for credit losses	1 368 302	13 750 694	1 368 302	13 750 694
Balance at the end of the year	18 993 539	12 435 596	18 993 539	12 433 224

There were no material collectively impaired trade receivables in the current year.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	2021		2020	
	Number of Shares	Group and Company ZWL	Number of Shares	Group and Company ZWL
23. Ordinary Share capital				
23.1 Authorised				
Ordinary shares of ZWL 0.0001 each	1 999 999 000	200 000	1 999 999 000	200 000
Non-Voting Class "A" ordinary shares of ZWL0.0001 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 ZWL	Share premium ZWL	Total ZWL
23.2 Issued and fully paid				
INFLATION ADJUSTED				
30 June 2021 - Audited				
At the beginning of the year	562 184 788	1 678 918	541 206 305	542 885 223
At the end of the year	562 184 788	1 678 918	541 206 305	542 885 223
30 June 2020 - Restated				
At the beginning of the year	562 184 788	1 678 918	541 206 305	542 885 223
At the end of the year	562 184 788	1 678 918	541 206 305	542 885 223
HISTORICAL COST				
30 June 2021 - Unaudited				
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 2020 - Unaudited				
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 2021

23. Ordinary Share capital (continued)

23.3 Share options

As at 30 June 2021, 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.

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2021

23. Ordinary Share capital (continued)
23.3 Share options (continued)

Simbisa Brands Limited Employee Share Scheme (continued)

Movements in the number of share options outstanding is as follows:

30 June 2021	SBL Employee share option scheme	SBL Employee share trust Options	Indigenisation share option agreement
Balance at the beginning of the year	5 400 000	30 000 000	50 000 000
Lapsed during the year	(5 400 000)	—	—
Balance at the end of the year	**—**	**30 000 000**	**50 000 000**
30 June 2020			
Balance at the beginning of the year	10 800 000	30 000 000	50 000 000
Exercised during the year	(5 400 000)	—	—
Balance at the end of the year	**5 400 000**	**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 ZWL 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	30 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 year 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 price at grant date in ZWL 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%

23.4 Directors' shareholdings

At 30 June, the Directors held directly and indirectly the following number of shares:	Group 30 June 2021 # of shares	Group 30 June 2020 # of shares
Z Koudounaris	102 849 353	102 829 853
B Dionisio	22 484 058	23 384 058
	125 333 411	**126 213 911**

Notes to the Consolidated Financial Statements (continued)
for the year ended 30 June 2021

	GROUP			
	Treasury shares ZWL	Foreign currency translation reserve ZWL	Share based payments reserve ZWL	Total other reserves ZWL
24. Other reserves				
INFLATION ADJUSTED				
Year ended 30 June 2021 - Audited				
Balance at 1 July 2020	(19 293 907)	641 059 130	31 216 630	652 981 853
Share options lapsed during the year	—	—	(31 216 630)	(31 216 630)
Purchase of treasury shares	(22 487 986)	—	—	(22 487 986)
Exchange differences arising on translation of foreign subsidiaries	—	276 338 589	—	276 338 589
Balance at 30 June 2021	**(41 781 893)**	**917 397 719**	**—**	**875 615 826**
Year ended 30 June 2020 - Restated				
Balance at 1 July 2019	(13 844 378)	35 702 862	31 216 630	53 075 114
Transactions with owners - additional interest in Mauritius (note 18.2)	—	(209 282)	—	(209 282)
Purchase of treasury shares	(5 449 529)	—	—	(5 449 529)
Exchange differences arising on translation of foreign subsidiaries	—	605 565 550	—	605 565 550
Balance at 30 June 2020	**(19 293 907)**	**641 059 130**	**31 216 630**	**652 981 853**
HISTORICAL COST				
Year ended 30 June 2021 - Unaudited				
Balance at 1 July 2020	(955 844)	641 063 033	1 074 196	641 181 385
Share options lapsed during the year	—	—	(1 074 196)	(1 074 196)
Purchase of treasury shares	(18 222 495)	—	—	(18 222 495)
Exchange differences arising on translation of foreign subsidiaries	—	276 338 588	—	276 338 588
Balance at 30 June 2021	**(19 178 339)**	**917 401 621**	**—**	**898 223 283**
Year ended 30 June 2020 - Unaudited				
Balance at 1 July 2019	(574 607)	35 706 766	1 074 196	36 206 355
Transactions with owners - additional interest in Mauritius (note 18.2)	—	(209 282)	—	(209 282)
Purchase of treasury shares	(381 237)	—	—	(381 237)
Exchange differences arising on translation of foreign subsidiaries	—	605 565 549	—	605 565 549
Balance at 30 June 2020	**(955 844)**	**641 063 033**	**1 074 196**	**641 181 385**

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.

During the year, the 5,400,000 share options outstanding as at 30 June 2020 expired without being exercised. The opening share based payment reserve was therefore reclassified to distributable reserves as shown on the Statement of Changes in Equity.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
25. Net deferred tax liabilities				
25.1 Reconciliation				
Balance at the beginning of the period (net)	342 760 438	2 462 725	9 160 328	(205 467)
(Credited)/Charged to profit or loss - current year other temporary difefrences	24 505 672	400 917 370	(22 685 377)	53 598 434
Credited to profit or loss - Zimbabwe rebasing of income tax values	(724 743 997)	—	(724 743 997)	—
Effect of IAS 29	277 362	(16 387 018)	—	—
Exchange difference arising on translation of foreign subsidiaries	(29 456 425)	(44 232 639)	(29 456 425)	(44 232 639)
Balance at the end of the period (net)	(386 656 950)	342 760 438	(767 725 471)	9 160 328
25.2 Analysis of net deferred tax (assets)/liabilities				
Accelerated depreciation for tax purposes	(338 563 082)	329 978 442	(652 404 595)	41 845 522
Arising from IFRS 16 - ROUA	810 350 931	406 364 791	743 123 923	338 715 564
Arising from IFRS 16 - Lease Liability	(792 823 931)	(428 420 799)	(792 823 931)	(360 155 490)
Accumulated tax losses	(121 737 950)	(50 479 449)	(121 737 950)	(50 479 449)
Unrealised exchange gains/(losses)	60 812 285	121 778 630	60 812 285	66 662 541
Prepayments	—	(32 235 122)	—	(22 939 561)
Allowance for credit losses	(4 695 203)	(3 074 079)	(4 695 203)	(3 073 493)
Other*	—	(1 151 976)	—	(1 415 306)
	(386 656 950)	342 760 438	(767 725 471)	9 160 328
The net deferred tax (assets)/liability is made up as follows:				
Deferred tax assets	(398 663 238)	(50 479 411)	(771 223 024)	(62 018 579)
Deferred tax liabilities	12 006 288	393 239 849	3 497 553	71 178 907
	(386 656 950)	342 760 438	(767 725 471)	9 160 328

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:

Expiry year:	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL
Expiring FY2022	6 955 115	2 883 983
Expiring FY2023	9 436 522	3 912 913
Expiring FY2024	18 817 156	7 802 653
Expiring FY2025	86 529 157	35 879 900
	121 737 950	50 479 449

Other deferred tax liabilities are as a result of temporary differences on arising from accruals and provisions.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

25. Net deferred tax liabilities (continued)

25.2 Analysis of net deferred tax (assets)/liabilities (continued)

The Group has tax losses that arose in Zambia and Mauritius of ZWL 116,014,246 (2020: ZWL 139,641,570) that are available until 2022 to 2025 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 have been loss-making for some time.

The expiry dates for the unrecognised tax losses are as follows:

Expiry year:	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL
Expiring FY2022	14 295 747	17 207 197
Expiring FY2023	19 885 036	23 934 793
Expiring FY2024	6 993 427	8 417 698
Expiring FY2025	74 840 036	90 081 882
	116 014 246	139 641 570

Finance Act (Chapter 23:04) amendment (included in Finance Act No. 2 of 2020) - Zimbabwe Operations

The newly introduced subsection (11) of section 4 allows for the rebasing of fixed assets acquired on or before 22 February 2019, and for any acquired in foreign currency from 22 February 2019 to 31 December 2020. This applies to the Group's property, plant and equipment which were acquired in foreign currency and had income tax values as at 30 June 2020. The income tax values were rebased to the equivalence of ZWL at the ruling exchange rate as at 1 January 2021 (ZWL81.82 : USD 1).

The Group implemented the rebasing of the income tax values for property plant and equipment with effect from 1 July 2020. The effect of the rebasing on the Group financial statements is shown on note 14.2 and note 25.1 above. As a result of the rebasing the Group's effective tax rate of 0.06% (expense - inflation adjusted) and -8.79% (credit - historical cost).

26. Financial assets and financial liabilities

26.1 Financial assets

INFLATION ADJUSTED	Rate of Interest per annum	Year Repayable	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL
Financial assets at amortised cost				
Trade and other receivables - non-interest bearing	nil	On demand	371 273 084	208 507 345
Trade and other receivables - interest bearing	12%	On demand	—	31 649 620
Short-term loan receivable (secured) - ZWL	42%	2021	93 515 042	191 012 109
Short-term loan receivable (secured) - USD	8%	2021	440 591 350	—
Total financial assets			905 379 476	431 169 074
Financial assets are presented within the following on the statement of financial position:				
Trade and other receivables (excluding prepayments)			371 273 084	240 156 965
Current financial assets			534 106 392	191 012 109
Total financial assets			905 379 476	431 169 074

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

26. Financial assets and financial liabilities (continued)

26.1 Financial assets (continued)

HISTORICAL COST	Rate of Interest per annum	Year Repayable	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL
Financial assets at amortised cost				
Trade and other receivables - non-interest bearing	nil	On demand	371 273 084	116 380 560
Trade and other receivables - interest bearing	12%	On demand	—	31 649 620
Short-term loan receivable (secured) - ZWL	42%	2021	93 515 042	92 435 346
Short-term loan receivable (secured) - USD	8%	2021	440 591 350	—
Total financial assets			905 379 476	240 465 526
Financial assets are presented within the following on the statement of financial position:				
Trade and other receivables (excluding prepayments)			371 273 084	148 030 180
Current financial assets			534 106 392	92 435 346
Total financial assets			905 379 476	240 465 526

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. The medium term loan is secured by a corporate guarantee.

Prior year short term interest bearing receivables comprise loans granted to a third party. The loans are interest bearing at the rate of 40%. The loans are repayable over 2 years. As at year end, the loans were within 12 months of maturity. The Group holds collateral against these short term interest bearing receivables in the form of right of set-off agreements against amounts owed to the borrower's parent company as well as a corporate guarantee from the borrower's parent company.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

26. Financial assets and financial liabilities (continued)

26.2 Borrowings

30 June 2021	Currency	Rate of interest	Year Repayable	INFLATION ADJUSTED Audited ZWL	HISTORICAL COST Unaudited ZWL
Unsecured					
Regional Operations medium term: 3.5 year term	USD	5% fixed	Aug 2023	163 891 000	163 891 000
Regional Operations medium term: 4 year term	USD	libor +4,4% variable	Sept 2021	52 529 167	52 529 167
Regiona+B212l Operations short term	USD	8% fixed	Sep 2021	252 140 000	252 140 000
Regional Operations short term	USD	9.24% fixed	On demand	91 916 429	91 916 429
Regional Operations medium term:4 year term	ZMW	23%	June 2023	43 445 386	43 445 386
Regional Operations short term	ZMW	26%	June 2022	83 477 718	83 477 718
Regional Operations short term	MUR	5%	June 2022	37 415 428	37 415 428
Regional Operations short term	GHS	GRR+3.89%	June 2022	38 788 780	38 788 780
Regional Operations short term	GHS	GRR+3.32%	June 2022	20 591 763	20 591 763
Regional Operations short term	ZAR	Prime	June 2022	4 472 669	4 472 669
Zimbabwe Operations short term	ZWL	35% to 40% fixed	Aug 2021 to Mar 2022	396 068 230	396 068 230
Zimbabwe Operations: overdrafts	ZWL	38% fixed	On demand	796 379 847	796 379 847
Total borrowings				1 981 116 417	1 981 116 417
Repayable within one year (current borrowings)				1 773 780 032	1 773 780 032
Repayable within two to five years (non-current borrowings)				207 336 385	207 336 385
				1 981 116 417	1 981 116 417
30 June 2020					
Secured					
Zimbabwe Operations: overdrafts	ZWL	26% fixed	On demand	317 569 429	153 679 472
Unsecured					
Regional Operations medium term: 3.5 year term	USD	5% fixed	Dec 2020 to Dec 2021	380 250 000	380 250 000
Regional Operations medium term: 4 year term	USD	libor +4,4% variable	Aug 2023	187 499 998	187 499 998
Regiona+B212l Operations short term	USD	8% to 9% fixed	Sep 2020 to Dec 2020	137 012 459	137 012 459
Regional Operations short term	USD	9.24% fixed	On demand	95 333 735	95 333 735
Zimbabwe Operations short term	ZWL	30% to 48% fixed	Aug 2020 to Mar 2021	187 095 527	90 540 018
Zimbabwe Operations: overdrafts	ZWL	30% fixed	On demand	87 646 046	42 414 026
Total borrowings				1 392 407 194	1 086 729 708
Repayable within one year (current borrowings)				937 157 016	631 479 530
Repayable within two to five years (non-current borrowings)				455 250 178	455 250 178
				1 392 407 194	1 086 729 708
Collateralised borrowings are secured by inventory (note 21)				317 569 429	153 679 472

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

26. Financial assets and financial liabilities (continued)

26.2 Borrowings (continued)

Collateralised borrowings

As at 30 June 2020, the Group has pledged part of its trade and other receivables in order to fulfil the collateral requirements for the overdrafts as shown above. The fair value of the inventory pledged as at 30 June 2020 was ZWL 153,679,472 (ZWL 317,569,429 inflation adjusted). The financial institutions had an obligation to release the inventories to the Group once the overdraft gets paid up. The Group also has an obligation to hand over the receivables should there be default on the overdraft. Refer to note 21.

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.

26.2.1 Reconciliation

	INFLATION ADJUSTED	
	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL
Balance at the beginning of the year	1 392 407 194	1 361 790 038
Drawdowns	1 617 295 193	968 786 702
Repayments	(837 625 127)	(192 660 486)
Effect of IAS 29	(493 473 882)	(1 467 574 375)
Exchange movements - Regional Operations	302 513 039	722 065 315
Balance at the end of the year	1 981 116 417	1 392 407 194

	HISTORICAL COST	
	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL
Balance at the beginning of the year	1 086 729 708	63 247 040
Drawdowns	1 414 451 221	336 212 090
Repayments	(822 577 551)	(34 794 737)
Exchange movements - Regional Operations	302 513 039	722 065 315
Balance at the end of the year	1 981 116 417	1 086 729 708

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
27. Trade and other payables				
Trade payables	1 677 035 552	845 338 799	1 677 035 552	714 111 973
Accruals and other payables	790 852 963	646 991 309	790 852 963	492 479 094
Dividends payable to shareholders of the parent	151 843	313 774	151 843	151 843
Statutory liabilities	376 714 338	304 147 678	376 714 338	147 182 560
	2 844 754 696	1 796 791 560	2 844 754 696	1 353 925 470

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.

28. Business segments

28.1 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

28. Business segments (continued)

28.1 Segmental analysis (continued)

INFLATION ADJUSTED

Year ended 30 June 2021	Zimbabwe Audited ZWL	Region Audited ZWL	Intersegment adjustments Audited ZWL	Total Audited ZWL
Statement of profit or loss				
Revenue from external customers	11 826 756 313	6 971 230 058	—	18 797 986 371
Operating profit before depreciation and amortisation	911 941 934	1 501 231 208	—	2 413 173 142
Depreciation, amortisation and impairment	203 016 208	803 968 754	—	1 006 984 962
Profit before tax	1 713 639 635	451 374 425	—	2 165 014 060
Interest expense	452 127 055	334 955 301	—	787 082 356
Interest income	189 395 895	2 029 585	—	191 425 480
Income tax credit/(expense)	96 991 439	(98 323 129)	—	(1 331 690)
Statement of financial position				
Segment assets	6 492 919 306	7 198 503 698	(502 200 480)	13 189 222 524
Segment liabilities	2 936 359 789	5 871 410 268	(506 782 421)	8 300 987 636
Capital expenditure	547 235 417	717 573 048	—	1 264 808 465
Statement of cash flows				
Cash flows from operations	988 435 767	2 033 877 693	—	3 022 313 460
Cash flows from investing activities	(1 081 747 595)	(714 075 327)	—	(1 795 822 922)
Cash flows from financing activities	616 071 584	(707 694 323)	—	(91 622 739)

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	18 617 985 771
- Royalty and franchising income	180 000 600
	18 797 986 371

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

28. Business segments (continued)

28.1 Segmental analysis (continued)

INFLATION ADJUSTED

Year ended 30 June 2020	Zimbabwe Restated ZWL	Region Restated ZWL	Intersegment adjustments Restated ZWL	Total Restated ZWL
Statement of profit or loss				
Revenue from external customers	7 378 482 179	1 666 303 632	—	9 044 785 811
Operating profit before depreciation and amortisation	297 759 334	440 912 766	—	738 672 100
Depreciation, amortisation and impairment	190 279 216	258 534 830	—	448 814 046
Profit before tax	1 573 743 894	57 442 377	—	1 631 186 271
Interest expense	100 081 698	89 665 069	—	189 746 767
Interest income	67 356 697	3 783 154	—	71 139 851
Income tax expense	509 982 290	19 626 495	—	529 608 785
Statement of financial position				
Segment assets	4 682 593 573	3 686 282 640	(38 164 951)	8 330 711 262
Segment liabilities	2 442 449 016	3 007 906 525	(17 005 461)	5 433 350 080
Capital expenditure	537 448 718	252 706 793	—	790 155 511
Statement of cash flows				
Cash flows from operations	428 904 056	483 680 896	—	912 584 952
Cash flows from investing activities	(960 446 385)	(212 515 104)	—	(1 172 961 489)
Cash flows from financing activities	584 879 425	(119 630 949)	—	465 248 476

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	9 025 383 729
- Royalty and franchising income	19 402 082
	9 044 785 811

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

28. Business segments (continued)

28.1 Segmental analysis (continued)

HISTORICAL COST

Year ended 30 June 2021	Zimbabwe Unaudited ZWL	Region Unaudited ZWL	Intersegment adjustments Unaudited ZWL	Total Unaudited ZWL
Statement of profit or loss				
Revenue from external customers	10 096 807 574	6 971 230 058	—	17 068 037 632
Operating profit before depreciation and amortisation	958 485 324	1501 231 208	—	2459 716 532
Depreciation, amortisation and impairment	32 945 515	803 968 754	—	836 914 269
Profit before tax	1 615 313 058	451 374 425	—	2 066 687 483
Interest expense	377 541 855	334 955 301	—	712 497 156
Interest income	161 336 687	2 029 585	—	163 366 272
Income tax (credit)/expense	(280 026 285)	98 323 129	—	(181 703 156)
Statement of financial position				
Segment assets	4 785 608 450	7 198 503 698	(502 200 480)	11 481 911 668
Segment liabilities	2 927 852 929	5 871 408 392	(506 782 424)	8 292 478 897
Capital expenditure	461 568 034	717 573 048	—	1 179 141 082
Statement of cash flows				
Cash flows from operations	1 252 510 022	2 033 877 693	—	3 286 387 715
Cash flows from investing activities	(904 389 607)	(714 075 327)	—	(1 618 464 934)
Cash flows from financing activities	476 156 421	(707 694 322)	—	(231 537 901)

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	16 888 037 032
- Royalty and franchising income	180 000 600
	17 068 037 632

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

28. Business segments (continued)

28.1 Segmental analysis (continued)

HISTORICAL COST

Year ended 30 June 2020	Zimbabwe Unaudited ZWL	Region Unaudited ZWL	Intersegment adjustments Unaudited ZWL	Total Unaudited ZWL
Statement of profit or loss				
Revenue from external customers	1 437 171 583	1 666 303 631	—	3 103 475 214
Operating profit before depreciation and amortisation	96 485 386	354 292 366	—	450 777 752
Depreciation, amortisation and impairment	15 105 857	258 534 830	—	273 640 687
Profit before tax	484 866 173	57 442 376	—	542 308 549
Interest expense	28 680 316	89 665 069	—	118 345 385
Interest income	15 166 091	3 783 154	—	18 949 245
Income tax expense	125 160 730	19 626 494	—	144 787 224
Statement of financial position				
Segment assets	1 442 717 302	3 686 282 639	(36 508 500)	5 092 491 441
Segment liabilities	1 062 842 286	3 002 759 761	(41 090 443)	4 024 511 604
Capital expenditure	105 636 560	252 706 793	—	358 343 353
Statement of cash flows				
Cash flows from operations	632 405 926	483 680 896	—	1 116 086 822
Cash flows from investing activities	(191 200 280)	(212 515 103)	—	(403 715 383)
Cash flows from financing activities	242 263 679	(119 630 949)	—	122 632 730

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	3 084 073 132
- Royalty income	19 402 082
	3 103 475 214

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.

29. 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 NSSA 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 4.5%% of pensionable emoluments of which the maximum monthly pensionable salary is ZWL21 641.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

29. Pension funds (continued)

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%.

Social Security Commission - Namibia

Under the Social Security Act, 1994 (Act No. 34 of 1994), currently read with the Employees' Compensation Act, 1941 (Act No. 30 of 1941) as amended, SSC's principal purpose is to administer the Funds established by the aforementioned statutes.

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
Pension costs recognised as an expense for the year:				
Simbisa Brands Pension Fund - Zimbabwe	6 815 772	20 538 954	5 840 847	4 735 364
National Social Security Authority - Zimbabwe	1 408 737	5 236 194	1 207 232	1 207 232
Social Security and National Insurance Trust - Ghana	5 543 964	1 131 172	5 543 964	1 131 172
National Pension Scheme Authority - Zambia	3 470 856	989 467	3 470 856	989 467
Buyanstanshi Pension Scheme-Zambia	4 175 918	1 018 100	4 175 918	1 018 100
National Social Security Fund - Kenya	4 159 484	1 231 507	4 159 484	1 231 507
National Savings Fund - Mauritius	8 908 276	1 421 190	8 908 276	1 421 190
Social Security Commission - Namibia	124 102	34 798	124 102	34 798
	34 607 109	31 601 382	33 430 679	11 768 830

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

30. 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 equivalence 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:

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
Financial assets				
At amortised cost				
- Trade and other receivables				
(excluding prepayments) (note 22)	352 279 545	196 071 749	352 279 545	135 596 957
- Cash and cash equivalents (note 15.2)	1 391 849 079	1 524 694 855	1 391 849 079	814 467 350
- Short-term loan receivable (secured) -				
(Current Financial assets) (note 26.1)	534 106 392	191 012 109	534 106 392	92 435 346
	2 278 235 016	1 911 778 713	2 278 235 016	1 042 499 653
Financial liabilities				
At amortised cost				
- Borrowings (note 26.2)	1 981 116 417	1 392 407 194	1 981 116 417	1 086 729 708
- Trade and other payables				
(excluding statutory liabilities) (note 27)	2 468 040 358	1 492 643 882	2 468 040 358	1 206 742 910
- Lease liabilities (note 19)	3 207 216 550	1 733 093 849	3 207 216 550	1 456 939 683
	7 656 373 325	4 618 144 925	7 656 373 325	3 750 412 301

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 2020 and 30 June 2021.

30.1 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

30. Financial risk management objectives and policies (continued)

30.1 Interest rate risk (continued)

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:

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
Effect on profit before tax				
Decrease of 0.3% in interest rates	360 044	645 134	360 044	310 221
Increase of 0.3% in interest rates	(360 044)	(645 134)	(360 044)	(310 221)
Effect on equity				
Decrease of 0.3% in interest rates	271 041	485 657	271 041	233 535
Increase of 0.3% in interest rates	(271 041)	(485 657)	(271 041)	(233 535)

30.2 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.

The carrying amounts of the Group's foreign currency denominated monetary assets and liabilities at the reporting date are as follows:

CURRENCY 30 June 2021	Liabilities ZWL equivalent Audited	Assets ZWL equivalent Audited	Net position ZWL equivalent Audited
United States of America Dollar	(889 941 008)	1 493 105 419	603 164 411
30 June 2020			
United States of America Dollar	(278 765 193)	664 813 216	386 048 023
South African Rand	(28 481 764)	—	(28 481 764)

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

30. Financial risk management objectives and policies (continued)

30.2 Foreign currency risk (continued)

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.

30 June 2021	Change in rate	Effect on profit before tax ZWL Audited	Effect on Equity ZWL Audited
United States of America Dollar	+15%	90 474 662	68 109 325
30 June 2020			
United States of America Dollar	+15%	57 907 203	43 592 543
South African Rand	+15%	(4 272 265)	(3 216 161)

30.3 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 22. The Group does not hold collateral as security.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

30. Financial risk management objectives and policies (continued)

30.3 Credit risk (continued)

Financial instruments, cash deposits and other receivables (continued)

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:

30 June 2021	Note	Gross carrying amount ZWL	12-month credit losses ZWL	Life-time credit losses ZWL	Net carrying amount ZWL
INFLATION ADJUSTED AND HISTORICAL COST					
Financial assets	26.1	534 106 192	—	—	534 106 192
Trade and other receivables (excluding prepayments)	22	352 279 545	(18 993 539)	—	333 286 006
		886 385 937	(18 993 539)	—	867 392 398
30 June 2020					
INFLATION ADJUSTED					
Financial assets	26.1	191 012 109	—	—	191 012 109
Trade and other receivables (excluding prepayments)	22	196 071 749	(12 435 596)	—	183 636 153
		387 083 858	(12 435 596)	—	374 648 262
HISTORICAL COST					
Financial assets	26.1	92 435 346	—	—	92 435 346
Trade and other receivables (excluding prepayments)	22	148 030 181	(12 433 224)	—	135 596 957
		240 465 527	(12 433 224)	—	228 032 303

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

30. Financial risk management objectives and policies (continued)

30.4 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:

INFLATION ADJUSTED	Less than 3 months ZWL	Between 3 months and 1 year ZWL	Between 1 and 4 years ZWL	Over 4 years ZWL	Total ZWL
30 June 2021 - Audited					
Liabilities					
Interest-bearing borrowings	1 758 798 886	379 836 701	226 889 133	—	2 365 524 720
Lease liabilities	113 124 276	518 070 652	1 197 870 579	2 012 895 565	3 841 961 072
Trade and other payables	2 468 040 358	—	—	—	2 468 040 358
Total	4 339 963 520	897 907 353	1 424 759 712	2 012 895 565	8 675 526 150
30 June 2020 - Restated					
Liabilities					
Interest-bearing borrowings	350 134 875	643 030 034	656 729 540	—	1 649 894 449
Lease liabilities	148 494 196	394 920 294	1 409 958 590	1 115 597 638	3 068 970 718
Trade and other payables	1 492 643 882	—	—	—	1 492 643 882
Total	1 991 272 953	1 037 950 328	2 066 688 130	1 115 597 638	6 211 509 049
HISTORICAL COST					
30 June 2021 - Unaudited					
Liabilities					
Interest-bearing borrowings	1 758 798 886	379 836 701	226 889 133	—	2 365 524 720
Lease liabilities	113 124 276	518 070 652	1 197 870 579	2 012 895 565	3 841 961 072
Trade and other payables	2 468 040 358	—	—	—	2 468 040 358
Total	4 339 963 520	897 907 353	1 424 759 712	2 012 895 565	8 675 526 150
30 June 2020 - Unaudited					
Liabilities					
Interest-bearing borrowings	263 835 013	484 538 530	494 861 436	—	1 243 234 979
Lease liabilities	124 098 561	320 231 288	1 163 031 577	848 415 277	2 455 776 703
Trade and other payables	1 206 742 910	—	—	—	1 206 742 910
Total	1 594 676 484	804 769 818	1 657 893 013	848 415 277	4 905 754 592

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

31 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
Total borrowings (note 26.2)	1 981 116 417	1 392 407 194	1 981 116 417	1 086 729 708
Less cash and cash equivalents (note 15.2)	(1 391 849 079)	(1 524 694 855)	(1 391 849 079)	(814 467 350)
Net debt	**589 267 338**	**(132 287 661)**	**589 267 338**	**272 262 358**
Total Equity	4 888 234 888	2 897 361 182	3 189 432 771	1 067 979 837
Net Gearing ratio	11%	-5%	16%	20%

32 Translation Rates

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:

	GROUP AUDITED 2021		GROUP AUDITED 2020	
	Statement of profit/loss and other comprehensive income ZWL 1: FX	Statement of Financial position ZWL 1: FX	Statement of profit/loss and other comprehensive income ZWL 1: FX	Statement of Financial position ZWL 1: FX
United States Dollar	0.012	0.012	0.055	0.016
South African Rand	0.189	0.168	0.864	0.272
Kenya Shilling	1.329	1.263	5.661	1.655
Ghanaian Cedi	0.071	0.068	0.304	0.091
Mauritian Rupee	0.071	0.068	0.304	0.091
Zambian Kwacha	0.256	0.265	0.826	0.284

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
33. Capital expenditure commitments				
Approved by the directors and contracted for	1 026 753 256	483 021 378	1 026 753 256	233 745 643
Approved by the directors but not contracted for	968 690 856	434 718 361	968 690 856	210 370 653
	1 995 444 112	**917 739 739**	**1 995 444 112**	**444 116 296**
The capital expenditure will be financed from the Group's own resources and existing borrowing facilities.				
34. Related party transactions				
34.1 Key management compensation				
Short-term employee benefits (note 11.2)	536 607 525	196 936 642	493 470 180	68 489 846
	536 607 525	**196 936 642**	**493 470 180**	**68 489 846**

34.2 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.

	INFLATION ADJUSTED		HISTORICAL COST	
The aggregate of the above transactions is as follows:	Group 30 June 2021 Audited ZWL	Group 30 June 2020 Restated ZWL	Group 30 June 2021 Unaudited ZWL	Group 30 June 2020 Unaudited ZWL
Statement of profit or loss				
Professional fees paid	68 797 363	29 191 028	63 163 290	9 475 189
Interest paid on loans from directors	298 257	453 407	247 094	80 930
Statement of financial position				
Loans from Director related entities	2 156 293	2 608 982	2 156 293	1 262 549

35. 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 2021 (2020: ZWL nil).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

36. 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 financial statements including performing sensitivity analyses. Key to these analyses are developments related to COVID-19. The pandemic continues to affect the Group as new strains emerge from time to time, with countries across the globe experiencing multiple waves of infections and fatalities.

The development and roll-out of vaccines has been quite positive, and has seen significant relaxation of restrictions, especially in first world countries, with economies opening up in line with increased vaccination. The progress on vaccination within the Group's markets has been encouraging, and may soon see more relaxation of restrictions, which is good for business.

In performing the sensitivity analysis, the following information regarding the Group and its operations was considered:

Financing

At 30 June 2021, the Group's financing arrangements consisted of loan funding totalling ZWL1 981.1 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 business has been resilient during the period, despite mutiple COVID-19 induced lockdowns in the country, and major waves of COVID-19 infections. The operations' financial position therefore remains strong. Cash held as on 30 June 2021 was ZWL1 051m and borrowings were ZWL1 193.6m. Short-term maturities will be settled from available cash resources.

Region

As of 30 June 2021, the Region segment held ZWL342m in cash balances and had borrowings of ZWL 788.5m, with the earliest maturity being in December 2021. The Group also has undrawn facilities of ZWL 61.6m in the Region which are available for utilisation on demand.

In our major-market, Kenya, the business entered the challenging period with sufficient cash resources and no debt obligations and is operating within available cash resources despite reduced business volumes. The Group acquired Kutuma Kenya Limited at the beginning of the year, and this has seen a significant growth in the delivery sales channel's contribution to the overall sales. Once this delivery business is optimised in the Kenyan market, replicas of the model will be set up in each of the other markets within both the Region and Zimbabwen operations.

In the Group's other markets, the strategy in each market is to continue to operate within the available cash resources. The Regional operations also went through varying levels of COVID-19 induced lockdowns which affected volumes and resultantly available cash resources. Continuous strategy review and re-engineering of the business processes has resulted in the operations' increased resilience.

In line with the continuous strategy review, the Group's Namibian operations will now be a franchised operation with effect from 1 July 2021.

The Group has utilised government employee assistance initiatives to cushion its staff in markets in which it was available such as Mauritius.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

36. Going concern (continued)

Budgeting and Forecasting

The Group's forecasts and projections of its current and expected profitability, taking account of reasonably possible changes in trading performance, show that the Group will be able to operate within the level of its facilities for at least 12 months from the authorisation date of the financial statements. A downside analysis has been performed assessing the potential negative economic impact the COVID-19 might have on the expected profitability of the Group and how that would affect the entity's ability to continue as a going concern.

In preparing this analysis the following key factors were considered:

- the impact of the pandemic on consumer behaviour;
- the disruption to each markets' supply chain, the period this disruption is expected to continue and the impact on the operations and ability to generate income;
- significant payments due to creditors or shareholders, and whether the Group will be in a position to settle these payments;
- how quickly the Group will be able to function at normal capacity and the financial impact of not functioning at normal capacity; and
- the impact of travel restrictions and border closures on the ability to operate and achieve business objectives impact of the volatility in exchange rates.

The above assumptions used in the sensitivity analyses represent the possible "worst case scenario" based on our current understanding of the continued impact of the pandemic. This scenario is considered to be unlikely. However, it is difficult to predict the overall outcome and impact of COVID-19.

The Group's projections and sensitivity analysis show that the Group has sufficient capital, liquidity and positive future performance outlook to continue realise its assets and meet its obligations as they fall due, and as a result it is appropriate to prepare these financial statements on a going concern basis, even considering the severe impacts of the COVID-19 pandemic as noted above.

37. COVID-19 Pandemic and continued Impact on the Group

The ongoing national, regional and global response to the COVID-19 pandemic has and will overall negatively affect the Group's business operations, the countries in which the Group operates, and other continental and global economies. The overall disruption and financial effect on the Group's businesses cannot be determined with certainty due to the nature of the complexity, the unknown duration and severity of the COVID-19 pandemic and dynamic responses to be implemented by the governments of the markets in which we operate to counteract the negative impact on their economies.

The roll-out of vaccines across the globe has created a new glimmer of hope, with countries that have progressed well in vaccinating their citizens already significantly relaxing COVID-19 restrictions. Should vaccinations significantly progress within the markets the Group operates, restrictions will also be curtailed significantly, which wil be a positive development with regards to operations and profitability.

Despite the positive developments on the vaccines side, the emergence of new strains of the COVID-19 virus, coupled with multiple waves of infection across the globe, including the Group's markets, many unknowns still remain relating to the pace, spread and containment of the COVID-19 pandemic which may affect the Group's financial position, operations, financial results and cash flows. The duration of the business disruption and the related financial effect and impact cannot be reasonably estimated at this time.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

37. COVID-19 Pandemic and continued Impact on the Group (continued)

The pandemic continues to impact the Group's operations in the following ways:

- Decrease in consumer buying power as economies slowed down during lockdowns across our markets.;
- Decrease in customer count and revenue due to reduced trading hours, banning of sit in meals and other social distancing measures implemented;
- Increase in cleaning and related costs due to the need for regular fumigation and sanitisation of the Group's facilities to ensure the health and safety of customers and staff;
- Additional expenditure in acquiring personal protective equipment and sanitisers and regular COVID-19 testing for our staff;
- Intermittent disruption of the supply chain due to suppliers' reduced production capacity and reduction of the Group's demand;
- Increase in credit risk for the Group's trade and other receivables; and
- The Group's existing and future investment in property, plant and equipment was brought into scrutiny, on the backdrop of declining business.

To mitigate the negative impact of the pandemic on the business, the Group implemented the following measures:

- Increasing the value offered to our customers by introducing more value-for-money deals across all our brands and counters;
- Re-vamping the Group's Dial-A-Delivery service which offers our customers a safe way of enjoying our products, during the lockdowns and beyond;
- Re-engaging suppliers to rationalise the pricing, quantities and frequency of orders. This also includes settlement of accounts;
- Re-engaging the Group's lessors for rationalisation of rentals given the decline in business
- Rationalising the staff structure and costs in line with the decline experienced in the volume of business. This includes suspension of new hires and contract renewals unless necessary, merging staff roles where possible and re-engaging staff on remuneration;
- Restricting the number of staff on duty to suit the operating models and legislation in the various markets, whilst ensuring that the number of staff on duty allows for social distancing;
- Providing staff on duty the necessary logistical support given the restricted movements in the various markets;
- Reviewing all operating expenses and ensuring that unnecessary expenditure is eliminated;
- Reviewing of planned capital expenditure.;
- Regular COVID-19 testing for our staff across all our markets
- Actively encouraging our staff across the Group to get vaccinated
- The Group has in place a COVID-19 staff support structure, which caters for all COVID-19 related emergencies in respect of its staff; and
- Focus on the identification and managing of all risks peculiar to COVID-19.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2021

37. COVID-19 Pandemic and continued Impact on the Group (continued)

Whilst there has been negative impact on the Group, the following areas of the business have not been significantly negatively affected:

- The Group's financing, both short term and long term;
- The Group's liquidity and cash flows, as the Group was and will still be able to meet its obligations as they fall due; and
- The Group has managed to maintain trading across all its markets, and no sites were permanently closed as a result of the COVID-19 pandemic and resultant lockdowns.

The Group recognises that the COVID-19 pandemic and the related mitigatory measures are complex and continue to evolve rapidly. The continued impact of the pandemic on the business will depend on developments such as progress on vaccinations across the globe and all our markets, and the government interventions across those markets, particularly the decision on when borders and international travel are likely to go back to the old normal. Therefore, the above-mentioned plans and mitigatory measures will continue to be assessed for relevance.

Management believes that the Group will be able to continue operating into the foreseeable future, with the Group being in sound financial and liquidity position, even after the reporting date. The Group continues to monitor the impact of the ongoing pandemic and related mitigatory measures on the business and financial reporting. Note 36 details the specific business and financial reporting implications of the pandemic.

38. Events after reporting date

Effective 1 July 2021, the Group disposed of its Namibian Operation, Simbisa Brands Namibia Limited. The operations will now be run as a franchised market. The impact of the transaction will likely not be significant to the Group

At the time of reporting, the assets of the company were undergoing fair valuation for the purposes of completing the accounting for the transaction.

Company Statement of Financial Position

as at 30 June 2021

	Notes	INFLATION ADJUSTED 30 June 2021 Audited ZWL	INFLATION ADJUSTED 30 June 2020 Restated ZWL	HISTORICAL COST 30 June 2021 Unaudited ZWL	HISTORICAL COST 30 June 2020 Unaudited ZWL
ASSETS					
Non-current assets					
Investments in subsidiaries		548 728 937	548 728 937	18 373 998	18 373 998
Deferred tax assets		—	4 223 806	—	2 044 001
		548 728 937	**552 952 743**	**18 373 998**	**20 417 999**
Financial assets	1	—	13 019 707	—	6 300 549
Loans and receivables from Group companies	2	169 824 910	100 252 758	169 824 910	47 577 138
Other receivables		2 250 583	1 232 765	2 250 583	495 956
Cash and cash equivalents		117 100	162 970	117 100	78 865
		172 192 593	**114 668 200**	**172 192 593**	**54 452 508**
Total assets		**720 921 530**	**667 620 943**	**190 566 591**	**74 870 507**
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital and share premium		542 885 226	542 885 226	18 178 323	18 178 323
Other reserves		(41 781 893)	11 922 722	(19 174 436)	122 256
Distributable reserves		109 639 240	26 796 778	81 383 747	14 944 616
Total equity		**610 742 573**	**581 604 726**	**80 387 634**	**33 245 194**
Non-current liabilities					
Deferred tax liabilities		327 492	—	327 492	—
		327 492	**—**	**327 492**	**—**
Current liabilities					
Borrowings-short term portion	3	85 339 000	78 995 216	85 339 000	38 227 682
Other payables	4	24 512 465	7 021 001	24 512 465	3 397 631
		109 851 465	**86 016 217**	**109 851 465**	**41 625 313**
Total liabilities		**110 178 957**	**86 016 217**	**110 178 957**	**41 625 313**
Total equity and liabilities		**720 921 530**	**667 620 943**	**190 566 591**	**74 870 507**

BASIL DIONISIO
Executive Director
Harare
23 September 2021

BALDWIN GUCHU
Executive Director

Company Statement of Changes in Equity

for the year ended 30 June 2021

	Ordinary Share Capital and share premium ZWL	Other Reserves ZWL	Retained Earnings ZWL	Total Equity ZWL
INFLATION ADJUSTED				
Balance at 1 July 2020	**542 885 226**	**11 922 723**	**26 796 777**	**581 604 726**
Profit for the year	—	—	490 242 759	490 242 759
Purchase of treasury shares	—	(22 487 985)	—	(22 487 985)
Share options lapsed during the year	—	(31 216 630)	31 216 630	—
Dividends	—	—	(438 616 927)	(438 616 927)
Balance at 30 June 2021	**542 885 226**	**(41 781 893)**	**109 639 239**	**610 742 573**
Balance at 1 July 2020	**542 885 226**	**17 372 252**	**(10 782 198)**	**549 475 280**
Profit for the year	—	—	170 675 123	170 675 123
Purchase of treasury shares	—	(5 449 529)	—	(5 449 529)
Dividends	—	—	(133 096 148)	(133 096 148)
Balance at 30 June 2021	**542 885 226**	**11 922 723**	**26 796 777**	**581 604 726**
HISTORICAL COST				
Balance at 1 July 2020	**18 178 323**	**122 256**	**14 944 693**	**33 245 271**
Profit for the year	—	—	482 392 935	482 392 935
Purchase of treasury shares	—	(18 218 593)	—	(18 218 593)
Share options lapsed during the year	—	(1 078 098)	1 078 098	—
Dividends	—	—	(417 031 980)	(417 031 980)
Balance at 30 June 2021	**18 178 323**	**(19 174 436)**	**81 383 747**	**80 387 634**
Balance at 1 July 2019	**18 178 323**	**503 491**	**(110 785)**	**18 571 029**
Profit for the year	—	—	50 291 782	50 291 782
Purchase of treasury shares	—	(381 235)	—	(381 235)
Dividends	—	—	(35 236 304)	(35 236 304)
Balance at 30 June 2020	**18 178 323**	**122 256**	**14 944 693**	**33 245 272**

Notes to the Company Financial Statements

for the year ended 30 June 2021

1. Financial assets

Prior year financial assets comprise of loans due from third parties that bear interest at 37% per annum and are due in 2021.

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2021 Audited ZWL	30 June 2020 Restated ZWL	30 June 2021 Unaudited ZWL	30 June 2020 Unaudited ZWL
2. Loans and Receivables from Group Companies				
Loans receivable from Group Companies	169 824 910	100 252 758	169 824 910	47 577 138
	169 824 910	100 252 758	169 824 910	47 577 138
Loans receivable from Group Companies bear interest at an average rate of 40% per annum and have no fixed repayment dates.				
3. Borrowings				
Short-term loans (interest 42%/30% per annum)	67 080 637	36 922 026	67 080 637	17 867 454
Overdrafts (interest 30% per annum)	—	42 073 190	—	20 360 227
	67 080 637	78 995 216	67 080 637	38 227 682
4. Other payables				
Statutory payables	1 229 490	437 766	1 229 490	211 845
Amounts due to Employee Share Trust	21 856 763	3 924 589	21 856 763	1 899 203
Other	1 426 212	2 658 647	1 426 212	1 286 583
	24 512 465	7 021 002	24 512 465	3 397 631

* Statutory payables relate to employment and other non-income taxes due to the tax authorities.

Shareholder Information

TOP 20 SHAREHOLDERS

as at 30 June 2021

COMPANY	Shares %
ZMD INVESTMENTS (PVT) LTD	18.29
H M BARBOUR (PVT) LTD	17.79
STANBIC NOMINEES (PVT) LTD	16.16
OLD MUTUAL LIFE ASS CO ZIM LTD	5.90
SARCOR INVESTMENTS (PVT) LTD	4.00
SCB NOMINEES 033663700070	3.05
PHARAOH LIMITED	2.25
STONE HOUSE TRUST-NNR	1.92
MINING INDUSTRY PENSION FUND	1.47
MUSIC VENTURES PVT LTD	1.33
MEGA MARKET (PVT) LTD	1.30
NSSA – WORKERS COMPENSATION IF	1,22
CITY AND GENERAL HOLDINGS P/L	1.21
NSSA - NATIONAL PENSION SCHEME	1.10
WARREN MEARES	0.84
J-SOFT (PVT) LTD	0.64
GENERAL ELECTRONICS (PVT) LTD	0.58
DELTA BEVERAGES PENSION FUND	0.54
OLD MUTUAL INSURANCE COMPANY PVT LTD	0.45
SIMBISA BRANDS LIMITED	0.44
Other	19.51
TOTAL	**100.00**

SHARE ANALYSIS BY INDUSTRY

as at 30 June 2021

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	281,064,253	50.00	539	12.22
PENSION FUNDS	116,502,617	20.72	330	7.48
FOREIGN NOMINEE	54,336,481	9.67	19	0.43
INSURANCE COMPANIES	38,921,948	6.92	38	0.86
LOCAL INDIVIDUAL RESIDENT	20,119,131	3.58	3030	68.71
LOCAL NOMINEE	15,356,374	2.73	109	2.47
NEW NON RESIDENT	14 454 261	2.51	89	2.02
CHARITABLE	2,770,699	0.49	19	0.43
OTHER INVESTMENTS & TRUST	2,037,323	0.36	142	3.22
TRUSTS	1,391,431	0.25	13	0.29
FUND MANAGERS	745,357	0.13	14	0.32
FOREIGN COMPANIES	13,167,657	2.34	08	0.19
FOREIGN INDIVIDUAL RESIDENT	137,569	0.02	10	0.23
GOVERNMENT / QUASI	121,000	0.02	01	0.02
DECEASED ESTATES	72,191	0.01	48	1.09
BANKS	48,475	0.01	02	0.05
TOTAL	**562,184,788**	**100.00**	**4410**	**100.00**

Shareholder Information (continued)

SHARE ANALYSIS BY VOLUME
as at 30 June 2021

Range	Shares	Shares %	Shareholders	Shareholders %
1-5 000	2,418,719	0.43	3463	78.53
5 001-10 000	1,492,940	0.27	202	4.58
10 001-25 000	3,048,646	0.54	184	4.17
25 001-50 000	4,947,948	0.88	136	3.08
50 001-100 000	8,2262,962	1.47	115	2.61
100 001-200 000	14,734,430	2.62	105	2.38
200 001-500 000	32,175,686	5.72	103	2.34
500 001-1 000 000	29,117,161	5.18	40	0.91
1 000 001 and Above	465,986,296	82.89	62	1.41
TOTALS	**562,184,788**	**100.00**	**4410**	**100.00**

ANALYSIS BY DOMICILE
As at 30 June 2021

Country	Shares	Shares %	Shareholders	Shareholders %
ZIMBABWE	481,877,700	85.72	3672	83.27
MAURITIUS	55,528,739	9.88	08	0.18
VIRGIN ISLANDS, U.S.	12,623,785	2.25	01	0.02
BELGIUM	24,805,301	4.41	06	0.15
USA	5,568,05	0.99	15	0.34
BELGIUM	4,783,750	0,85	04	0.09
WARRANT NOT PRESENTABLE	1,312,406	0.23	616	13.97
SOUTH AFRICA	100,729	0.02	51	1.16
MALTA	89,300	0.02	01	0.02
JAPAN	82,471	0.01	01	0.02
UNITED KINGDOM	54,409	0.01	14	0.14
AUSTRALIA	38,073	0.01	06	0.12
UNITED ARAB EMIRATES	30,000	0.01	01	0.02
CAYMAN ISLANDS	26,263	0.00	04	0.09
GERMANY	23,282	0.00	02	0.05
IRELAND	16,637	0.00	01	0.02
BOTSWANA	7,966	0.00	02	0.05
CANADA	5,797	0.00	03	0.07
NAMIBIA	4,971	0.00	02	0.05
GHANA	3,565	0.00	01	0.02
KENYA	2,922	0.00	02	0.05
NEW ZEALAND	2,241	0.00	01	0.02
ISRAEL	1,575	0.00	01	0.02
MOZAMBIQUE	150	0.00	01	0.02
TOTALS	**562,184,788**	**100.00**	**4,410**	**100.00**

Notice to Members

NOTICE IS HEREBY GIVEN that the Sixth Annual General Meeting of Simbisa Brands Limited will be held on 19th November 2021 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 2021.

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. He brings a wealth of experience particularly in developing strategies for growth. He is currently a Director of Innscor and Axia Corporation Limited.

2.2 To approve fees accrued to Directors for the twelve month period ended 30 June 2021, in the amount of ZWL 13 503 911 (ZWL 16 061 822 inflation adjusted).

2.3 To approve borrowings for the year ended 30 June 2021.

Notes

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 twelve-month period ended 30 June 2021, in the amount of ZWL 40 586 864 (ZWL 45 036 164 inflation adjusted);

3.2 To reappoint 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 six years and have indicated their willingness to continue in that capacity.

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 authorises in advance, in terms of section 129 of the Companies and Other Business Entities Act and the Zimbabwe Stock Exchange (ZSE) 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 and Other Business Entities Act (Chapter 24:31) and the regulations of the ZSE, 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.

The meeting shall be held in accordance with the provisions of Statutory Instrument 77 of 2020, Public Health (Covid-19 Prevention, Containment and Treatment Regulations 2020), as amended. As such, members in physicall attendance shall be required to adhere to social distancing, wearing of masks and use hand sanitisers. Members without masks shall not be permitted to attend the meeting.

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

Simbisa Brands LIMITED

FORM OF PROXY

6th 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 Sixth Annual General Meeting of the Company to be held on 19 November 2021 at 08.15 hours and at any adjournment thereof.

Signed this ______________________ day of ____________ 2021

Signature of member ______________________

Notes

1. In terms of section 171 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. The appointed proxy need not be a shareholder of the Company. However, the Proxy may not be a Director or Officer of the Company.

2. The proxy form should be signed and dated to be valid, with any alterations initialed.

3. In terms of section 93 of the Company's Articles of Association, the proxy form must be deposited at the Company's Registered Office not less than 48 hours before the AGM.

FOR OFFICIAL USE
NUMBER OF SHARES HELD ______________________

Affix Stamp Here

Registars 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
First Capital Bank Limited
Stanbic Bank Zimbabwe Limited
Ecobank Zimbabwe Limited

Principal 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: enquiries@corpserve.co.zw

Sustainability Advisors
Institute for Sustainability Africa,
22 Walter Hill Avenue, Eastlea,
Harare, Zimbabwe
Email: admin@insafrica.org.zw

Event Information

• Results for the 3 months ending 30 September 2021 published	November 2021
• Sixth Annual General Meeting	19 November 2021
• Interim financial results for the 6 months to 31 December 2021 published	March 2022
• Results for the 9 months ending 31 March 2022 published	May 2022
• Abridged financial results for the year ended 30 June 2022 published	September 2022
• Annual report for the year ended 30 June 2022 published	October 2022
• Seventh Annual General Meeting	November 2022

GR Content Index

GRI Content Index					
			Omission		
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
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General Disclosures					
	ORGANISATIONAL PROFILE				
GRI 102: General Disclosures 2016	102-1 Name of the organization	Cover Page			
	102-2 Activities, brands, meals, and services	5-8			
	102-3 Location of headquarters	151			
	102-4 Location of operations	8-9			
	102-5 Ownership and legal form	8, 145			
	102-6 Markets served	8-9			
	102-7 Scale of the organisation	7, 20, 21			
	102-8 Information on employees and other workers	7, 42			
	102-9 Supply chain	45, 53			
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	102-11 Precautionary principle or approach	29-31			
	102-12 External initiatives	54-58			
	102-13 Membership of associations	10			
	STRATEGY				
	102-14 Statement from senior decision-makers	12			
	ETHICS AND INTEGRITY				
	102-16 Values, principles, standards, and norms of behaviour	29 Inside front cover			
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	102-18 Governance structure	23-26			

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GRI Content Index					
			Omission		
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
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General Disclosures					
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	102-41 Collective bargaining agreements	43			
	102-42 Identifying and selecting stakeholders	33			
	102-43 Approach to stakeholder engagement	33-34			
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	REPORTING PRACTICE				
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	102-46 Defining report content and topic Boundaries	1			
	102-47 List of material topics	35-36			
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	102-51 Date of most recent report	1			
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	102-53 Contact point for questions regarding the report	1			
	102-54 Claims of reporting in accordance with the GRI Standards	1			
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GRI Content Index						
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			Part Omitted	Reason	Explanation
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GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	51			
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GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	55			
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