2022

Annual Report

Simbisa Brands
LIMITED

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.

About this Report

Simbisa Brands Limited, a company listed on the Zimbabwe Stock Exchange (ZSE), is pleased to present the annual report for the year ended 30 June 2022.

This report integrates financial and corporate sustainability information, enabling our stakeholders to make an informed assessment of our performance and impacts.

Scope

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

Reporting frameworks

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

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

Sustainability data

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

Assurance

The financial statements were audited by the company's independent financial auditors, Ernst & Young (Zimbabwe), in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is contained on pages 73 to 79.

Sustainability information was reviewed by the Institute for Sustainability Africa (INSAF) as subject matter experts for compliance with GRI Standards. A GRI Content Index is contained on pages 164 to 169. The sustainability data in the report have not been externally assured.

Restatements

The prior year inflation adjusted consolidated financial statements were restated in accordance with International Accounting Standards ("IAS") 29, Financial Reporting in Hyperinflationary Economies. Board responsibility and approval of this report. Some of the prior year sustainability indicators were restated, thanks to improved data measurement.

Board responsibility and approval

The Board of Directors of Simbisa Brands Limited holds collective responsibility for this report, which has been compiled by members of the management team. The Board recognises its responsibility for ensuring the integrity of this Annual Report and approved on this report on 26 September 2022.

Report declaration

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

Currency

All references to ZWL throughout this report refer to the Zimbabwean Dollar.

Forward looking statements

This report contains forward looking statements which relate to the future performance and prospects of the Group. While these statements represent our assessments and future expectations, several known and unknown risks, uncertainties and other important factors may cause actual results to differ materially from our expectations. These include factors that could adversely affect our business and performance. Stakeholders are cautioned not to place undue reliance on any forward looking statements contained herein. We undertake to update publicly or to release any revisions to these forward looking statements, to reflect events or circumstances after the date of the publication of this report to reflect events or circumstances after the date of the publication of this report or to reflect on occurrence of unanticipated events through trading and website updates.

Feedback

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

Farai Machodo
farai.machodo@zw-simbisa.com

Michelle Fisher
michelle@zw-smbisa.com

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

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

B. Dionisio
Group Chief Executive Officer

Contents

Our Beliefs

Beliefs and Service

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

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

Environment and Community

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

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

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

Employees

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

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

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

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

Performance and Growth

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

Simbisa Brands opened 86 new stores (net of opened and closed stores) during the 12 month period under review.

Our commitment to providing the Pan-African population with affordable, accessible, nutritious and delicious meals is the key area of our focus. This business model has directly resulted in a great performance. Group revenue increased by 76% with a 28.6% increase in customers.

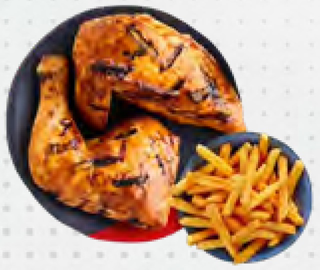
Our Journey

1987

First Chicken Inn Opens.

1995

Acquisition of Nando's franchise for Zimbabwe.



1998

Innscor Africa Limited listed on the Zimbabwe Stock Exchange.

1999

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

2001

Quick Service Restaurants expands to Ghana.

2004

Quick Service Restaurants expands to Malawi.

2011

Secured Galito's Franchise.

2012

Quick Service Restaurants expands to Swaziland.

2013

Quick Service Restaurants expands to DRC.

2015

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

2016

Centralised call centre opened for Dial-A-Delivery Mauritius.

First Chicken Inn Drive Thru opened in Zimbabwe.

2017

Acquisition of RocoMama's franchise for Zimbabwe.

A centralised call centre opened for Dial-A-Delivery Kenya.

2018

Acquisition of Ocean Basket franchise for Zimbabwe. Opening of first

2019

RocoMama's in Zambia.

July **2020**

Establishment of stand-alone delivery business in Kenya.

November **2020**

Simbisa Brands crosses the 500th store threshold.

February **2021**

Simbisa Brands Zambia opens commercial plant bakery in Lusaka

March **2021**

Opening of Buffalo Creek Spur in Harare, Zimbabwe.

2022

Innbucks launched.

Group Structure

Simbisa Brands operates 4 business units.

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

Business Processes And Activites

Procurement

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

Manufacturing

Our manufacturing plants and kitchens are sustainably operated to ensure the best food quality and minimise negative impacts to the environment.

Logistics

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

Retail

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

Owned and Operated Markets

Zimbabwe

83 Chicken Inn, 47 Pizza Inn, 54 Bakers Inn, 37 Creamy Inn, 14 Nandos, 9 Steers, and 17 Others.
261 Company Operated Outlets

Kenya

49 Chicken Inn, 59 Pizza Inn, 40 Creamy Inn, 23 Galitos, 5 Bakers Inn, and 30 Others
206 Company Operated Outlets

Zambia

7 Chicken Inn, 9 Pizza Inn, 5 Creamy Inn, 3 Bakers Inn, 4 Galitos, and 5 Others
33 Company Operated Outlets

Ghana

8 Chicken Inn, 9 Pizza Inn, 5 Creamy Inn, 1 Galitos, and 2 Others
25 Company Operated Outlets

Mauritius

7 Pizza Inn, 1 Galitos, and 5 Others
13 Company Operated Outlets

Franchised Markets

Malawi

4 Chicken Inn, 5 Pizza Inn, 2 Creamy Inn, and 2 Galitos
13 Franchised Outlets.

Namibia

4 Chicken Inn and 3 Pizza Inn
7 Franchised Outlets.

Eswatini

3 Chicken Inn, 7 Pizza Inn and 7 Galitos
17 Franchised Outlets.

DRC

8 Chicken Inn, 8 Pizza Inn, 8 Creamy Inn and 5 Galitos.
29 Franchised Outlets.

Our Brands

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

Chicken Inn: 166 Outlets	Pizza Inn: 154 Outlets	Creamy Inn: 97 Outlets	Baker's Inn: 62 Outlets
Nando's: 14 Outlets	Steers: 9 Outlets	Galito's: 43 Outlets	RocoMamas: 5 Outlets
Ocean Basket: 2 Outlets	Spur: 1 Outlet	The Grilll Shack: 1 Outlet	Other: 50 Outlets

Simbisa Brands
Core Brands Owned and Operated Markets

Ocean Basket, RocoMamas, Nando's, Spur, Grilll Shack — Customer Count: **1.8m** (10.5% vs PY), Store Count: **25** (+4 vs PY)

Steers, Galito's, Pizza Inn, vida e caffè — Customer Count: **9.3m** (29.3% vs PY), Store Count: **175** (+15 vs PY)

Chicken Inn, Creamy Inn — Customer Count: **22m** (29.8% vs PY), Store Count: **234** (+16 vs PY)

Baker's Inn — Customer Count: **14.7m** (24.9% vs PY), Store Count: **62** (+4 vs PY)

Other Brands — Customer Count: **4.5m** (45.1% vs PY), Store Count: **42** (+3 vs PY)

Total — Customer Count: **52.3m** (28.6% vs PY), Store Count: **538** (+42 vs PY)

Company Owned Brands

Chicken Inn

Meal of the people

Every great story has a beginning. Simbisa Brands' story began when the inaugural Chicken Inn outlet opened in Harare, Zimbabwe in 1987.

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

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

Value for money

Three decades later, Chicken Inn continues to offer value for money with a broad-spectrum menu that appeals to individuals as well as families. We have convenient drive-thru services in multiple locations in Africa. Only the best A-grade chicken and premium spices are used to ensure the quality taste that the brand is famous for.

Pizza Inn

Best tasting pizza

A Pizza Inn pizza box might be one of the most recognisable icons of Africa. Whichever way you slice it, Pizza Inn is an industry leader in the quick service pizza game.

The first Pizza Inn outlet opened its doors in 1994 in Harare, Zimbabwe, and rose quickly in popularity. Serving hot oven-fresh pizza with its signature all-natural tomato sauce and using only the freshest ingredients, Pizza Inn has established itself at the top of the industry and is easily one of the first choices in quick service pizza in Africa.

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

The first choice for pizza

Today, with an expansive footprint across the African continent, Pizza Inn is bigger than ever and has proven to be a pivotal cornerstone in Simbisa Brands' success. Alongside Simbisa's other brands, Pizza Inn rounds out the Simbisa Brands offerings to provide affordable and tasty choices for everyone.

Creamy Inn

Nothing's cooler than ice cream

Our tasty soft serve, which is featured in every one of our tasty products, is the secret ingredient that makes us the coolest.

Creamy Inn's delectable selection of cones, cups, milkshakes, sundaes and waffles has become a favourite indulgence among all ages throughout Africa. Whether it's chocolate, strawberry, mint, caramel, nuts or sprinkles you like drizzled or heaped on top, Creamy Inn delivers treats like no other. This delicious ice cream brand is often the choice for family outings, beach days, shopping days, or any day!

Treats like no other

Creamy Inn's flexible business model allows the brand to have a diverse footprint that consists of stand-alone stores in shopping malls or kiosks on a high street. This way, Creamy Inn can best serve its customers at its strategically placed locations.

Bakers Inn

Fresh products made in-store daily

The Baker's Inn brand has been established as the go-to brand for the commuting customer.

Baker's Inn is committed to providing quality, hot, freshly baked goods from our ovens to the customer. We open our doors at 6am and operate for 24 hours in selected locations.

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

Fish Inn

Freshness is key

When it comes to serving fish, freshness is key. It's this understanding that ensures that Fish Inn's meals are always of the highest quality.

Fish Inn first opened its doors in 2013 at the Fife Avenue shops in Harare, Zimbabwe. It has quickly entrenched itself as the leader in bringing fresh, tasty and affordable fish to the people of Zimbabwe.

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

Dial A Delivery

From our kitchen to your couch

Dial a Delivery (DaD) is a stand-alone brand that is an integral part of the Simbisa Brands portfolio.

Its primary focus is to extend our brands and products to our customers in a convenient and efficient way via our centralised call centres. Customers simply phone in their orders to the agents on call, and the meals are quickly dispatched. Through an automated process, all orders are mapped and tracked in the system.

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

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

Outlets

Brand Type	Brand	Outlets (Number)
Company Owned brands 523 Outlets	Chicken Inn	166
	Pizza Inn	154
	Creamy Inn	97
	Baker's Inn	62
	Others	44
Licensed brands 81 Outlets	Nandos	14
	Steers	9
	Galitos	43
	Others	15
Total Outlets		604

Market Type	Market	Outlets (Number)
Company Owned and Operated Markets 538 Outlets	Zimbabwe	261
	Kenya	206
	Zambia	33
	Ghana	25
	Mauritius	13
Licensed Markets 66 Outlets	Namibia	7
	Swaziland	17
	Malawi	13
	DRC	29

Key Focus Areas

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

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
	Final dividend declared	High service values.
8 177	**0.58** USD cents	**86**
people employed	*/ share FY 2022*	*net counters growth in FY 2022*

What we do

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

Awards, Business Associations Memberships and Certifications

Awards

Top companies survey - FinGaz & Old Mutual
- Winner for Best tangible investor returns.
- Second runner up - Top company of the year.

Superbrand awards - Marketing Association of Zimbabwe
- Top ten Zimbabwe companies - 8th position.
- Winner for business to consumer award - Chicken Inn.

Confederation of Zimbabwe Retailers and wholesalers awards
- Fast foods retailer of the year 2021.

Zimbabwe Revenue Authority (Zimra)
- Appreciation award.

MegaFest
- Winner for best business to consumer - Chicken Inn.

Business Membership and Associations
- Zimbabwe Tourism Authority.
- Zimbabwe National Chamber of Commerce.
- Employers Confederation of Zimbabwe.
- Catering Employers Association of Zimbabwe.
- Kenya Tourism Regulatory Authority (KTRA).
- Ghana Employers Association.
- National Hospitality Association of Ghana.

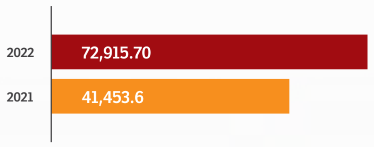
Certifications
- Environmental Permits.
- Fire Certificates.
- Food and Drugs.
- Health Professions Council.
- Trade and Shops Licences.
- Hazard Critical Control Point.

Performance Highlights

Group Revenue

↑76%

ZWL72,915.7million
(2021: ZWL41,453.6m)



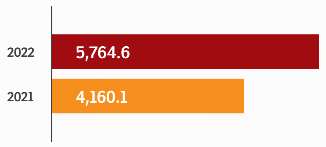
Why we measure it.
It is key for management, employees, shareholders and other stakeholders to know how much income the Group is receiving in exchange for its goods and services. To continue operating, the Group must generate sufficient income to cover its operating costs and earn a profit.

Progress we've made.
The Group achieved a 76% year on year increase in revenue. This was driven by increased customer counts and improved average spend per customer.

Operating Profit

↑39%

ZWL5,764.6million
(2021: ZWL4,160.1m)



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 39% when compared with the financial year ended 30 June 2021. This was driven by revenue growth and improved operating efficiencies.

Final Dividend Declared

USD 0.58
cents per share

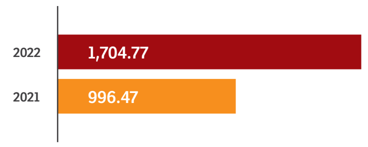
Why we measure it.
Dividend is the distribution of a portion of the Group's profit to our shareholders. The trend in dividend payments is a vital tool used by investors to track the performance of their interest. It is key for us to monitor the return we are generating for our shareholders.

Progress we've made.
The Group successfully declared a dividend in United States dollars to reward shareholders in a more stable currency. In doing so, the Group became one of a handful of companies within Zimbabwe to pay a USD dividend.

Basic Earnings per Share

↑71%

ZWL1,704.77cents
(2021: ZWL996.47cents)



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 71% year on year. This was driven by higher revenue streams and improved operating efficiencies.

Customers Served

↑29%

52.3m Customers
(2021: 40.67m)

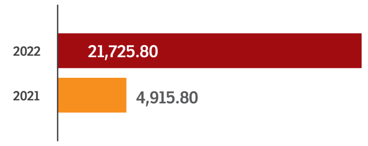
Why we measure it.
It is key for management, employees, shareholders, and other stakeholders to know how many customers were served during the year. Customer counts drive revenue, which in turn drives profitability, the ability of the Group to improve employee welfare, shareholder returns and the Group's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

Progress we've made.
With all of the Group's markets having significantly come out of COVID-19 induced lockdowns and restrictions, the Group's increased customers increased by 29% versus the prior year. 86 new counters opened, increased delivery sales contribution, promotional activities and value offerings contributed to this growth.

Cash Generated from Operations

↑342%

ZWL21,725.8million
(2021: ZWL4,915.8m)



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.
The Group's cash generation improved by 342%, on the back of efficient working capital management and increase in revenue and operating efficiencies, on the back of increased customer counts across all markets and improved average spend.

Sustainability Highlights

Total Employees

2022	8,177
2021	5,935

38%

8,177 Employees
(2021: 5,935 Employees)

Total Water Consumption

2022	24,308,389
2021	24,521,766

-1%

24,308,389 Cubic metres
(2021: 2021
5,935 24,521,766 Cubic metres)

Electricity Consumption

2022	39,780MwH
2021	29,333 MwH

36%

39,780 MwH
(2021: 29,333 MwH)

Strategic Performance Review

Chairman's Statement

Overview

Simbisa Brands Limited ("Simbisa Brands" or the Group") is committed to providing the Pan-African population with affordable, accessible, nutritious, and delicious meals while offering the best quick service restaurant experience. Over the past six months, the business has continued to live up to its commitments in 604 stores across nine countries.

The key highlights for the period are that:

- Simbisa Brands continued to record strong year-on-year growth in customer counts. Our restaurants served over 52.3 million customers, up 28.6% from the prior year.
- During the financial year ended 30 June 2022, the Group opened 86 new stores.
- In Kenya, Simbisa Brands consolidated its position as the largest QSR operator in the market surpassing a key milestone of 200 stores.
- Delivery sales grew by 45% against the same period last year, contributing significantly to Simbisa Brands' overall financial performance.
- Simbisa Brands won 'The Best Tangible Returns' award at the 2022 Zimbabwe Top Companies Survey Awards sponsored by Old Mutual Zimbabwe and The Financial Gazette.

The performance for the period is a testament to the dedication of the extraordinary people employed by the Group who share a common passion and enthusiasm for the Group's brands.

In the period under review the following matters received critical attention from the Board:

i. The Impact of global inflation and supply chain challenges on our businesses

All our markets have seen the negative impact of global inflation resulting in increased costs of raw materials, energy costs and other overheads. Inflation has also impacted consumers' disposable income. The Board is confident in the measures introduced in the different markets to mitigate the impact of inflation and still meet growth targets. These measures include, amongst others, importing our own raw materials where it's more economical to do so, investing additional amounts in working capital and providing value offerings to our customers.

ii. Growth Initiatives

During the period under review, the Group focused its growth strategy on the two largest markets, Zimbabwe, and Kenya, adding 27 stores, and 39 stores respectively.

In smaller markets, the Group focused on stabilising existing stores and optimising operating models. This enhanced focus on existing stores resulted in all markets contributing positively to the Group's operating profit.

Across the Group, excellent customer service remains key to the Group's organic growth. Key to achieving this objective is the fullyfledged Franchising Division which operates independently of the restaurant operators with the aim of improving brand quality and customer service in our stores. Simbisa Brands invested significantly in expanding the scope and capacity of the restructured Franchising Division.

iii. Talent Management

Part of Simbisa Brands' mission is to improve and empower the more than 8,500 people employed by the Group. During the year, staff welfare and training matters were high on the agenda of the Board and periodic reviews of Training Programs and outcomes occurred.

Financial Reporting Matters

i. Foreign Exchange rate disparities in Zimbabwe and impact on financial reporting

Foreign exchange rate distortions and the disparity between the official rate and the real exchange rate reflected by comparing market prices in local currency against market prices in foreign currency continued over the period under review. As highlighted in the Chairman's reports' accompanying the Group's financial statements for the financial years ended 30 June 2020 and 30 June 2021, the Board's considered view is that the exchange rate derived from the Reserve Bank of Zimbabwe weekly Foreign Currency Auction System **("Auction Rate")** is not appropriate and is not a "Spot Rate" compliant with the requirements of International Accounting Standard (IAS) 21, "The Effects of Changes in Foreign Exchange Rates" and therefore International Financial Reporting Standards (IFRS).

The Group's Zimbabwean Operation continues to generate all its foreign currency from the sale of its products in the local market in line with the multi-currency framework prevailing and therefore does not have access to the Reserve Bank of Zimbabwe foreign currency auction system.

To achieve a fair presentation of the Group's financial performance and financial position, Simbisa Brands estimated an exchange rate based on the market transaction rates and applied this rate to translate monetary foreign currency balances on the statement of financial position. The Group used the same estimated exchange rates to translate the results of its foreign subsidiaries. This in your Board's view represents a true and fair view of Simbisa Brands' financial position in the circumstances.

The Group's Independent Auditors are of the view that the Auction Rate is a "Spot Rate" compliant with the requirements of IAS 21. As a result, they have issued an adverse opinion, on the same basis as indicated in the audit opinion on the Group's financial statements for the years ended 30 June 2020 and 30 June 2021.

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

The Group commends efforts by the Reserve Bank to stabilise the country's local currency in the period after the Group's reporting date. However, the Group urges the Reserve Bank of Zimbabwe to review minimum productive sector lending rates which are currently set at 200% as this may stifle growth in the medium term.

	Inflation-adjusted (ZWL Millions)		
	At transactions -based rate	At auction rate	Impact (decrease)/ increase
Income Statement			
Operating Profit	5 732.0	3 663.1	(2 068.9)
Net profit attributable to shareholders	9 584.0	6 241.5	(3 342.5)
Basic Earnings per share – ZWL Cents	1 704.77	1 110.2	(594.57)
Balance Sheet			
Total assets	70 439.5	48 026.4	(22 413.1)
Total liabilities	44 724.6	29 856.3	(14 868.3)
Net debt	15 306.8	7 999.6	(7 307.2)
Total equity	**25 714.9**	**18 170.1**	**(7 544.8)**

Chairman's Statement (continued)

Financial Performance Highlights

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

- Revenue increased by 76% (+48% in Zimbabwe and +214% in the Region). Growth in Zimbabwe is from an increase in customer counts of 28%. In the Region, (excluding the impact of the Zimbabwe dollar exchange rate depreciation), Revenue increased by 38% in USD terms, from a 30% increase in customer counts.
- Gains from foreign currency translations increased profit by ZWL 12.1 billion (2021: ZWL 3.1 billion).
- Profit attributable to shareholders and headline earnings increased by 71% and 66%, respectively.
- In addition, to the above profit measure, the Group tracks an adjusted attributable profit. This measure is after adjusting attributable profit for the impact of IFRS 16, Leases. IFRS 16 treats leases previously classified as operating leases under the previous standard, IAS 17, as financing arrangements. The Directors believe that considering the nature of the Group's lease arrangements, an adjusted profit measure excluding the impact of IFRS 16 is valuable to users of the financial statements. The adjusted measures are as follows:

	Inflation-adjusted (ZWL Millions)		
	Pre-IFRS 16	Change	Post-IFRS 16
Income Statement			
Operating Profit	3 923.1	1 808.9	5 732.0
Net profit attributable to shareholders	9 880.6	(296.6)	9 584.0
Basic Earnings per share - ZWL Cents	1 757.57	(52.8)	1 704.77
Balance sheet			
Total assets	54 718.6	15 720.9	70 439.5
Total liabilities	28 433.0	16 291.6	44 724.6
Net debt/(cash)	(1 172.2)	16 479.0	15 306.8
Total equity	**26 285.6**	**(570 7)**	**25 714.9**

- Cash generated from operations was ZWL 21.7 billion up 342% from last year.
- ZWL 18.7 billion was spent on investing activities, of which ZWL 6.3 billion was spent on capital expenditure in Zimbabwe and Kenya. ZWL 11.7 billion was invested in financial assets.
- Total debt (excluding IFRS 16 liabilities) was ZWL 4.9 billion (30 June 2021 restated: ZWL 4.2 billion). Total debt remains below x1 operating profit.

Final Dividend

The Board resolved to declare a final dividend of 0,58 US cents per share. Furthermore, the Board approved a dividend of US$163,034 to the Simbisa Employee Share Trust. The dividend will be payable in United States dollars on or about 19 October 2022 to shareholders registered in the books of the Company close of business on 14 October 2022. The last day to trade cum-divided is 11 October 2022, and the ex-dividend date is 12 October 2022.

Chairman's Statement (continued)

Corporate Governance

There have been no changes to the Board composition since our last report.

Sustainability

Creating long-term value for our stakeholders has been fundamental to Simbisa Brands' growth since the business opened its first Chicken Inn outlet in 1987. The Group has grown together with its stakeholders and sustainable business practices and decisions are already strongly embedded in the Group's culture as evidenced by the value the Group has created for its suppliers, the employment the Group has created and the contribution to governments and local authorities. However, Simbisa Brands, like many responsible corporates in Africa, is on a journey to make sustainability a central focus for key decision makers. To this end, the Group has appointed sustainability champions across its business and continues to invest more time and resources in this objective.

From a Corporate responsibility perspective, the Board approved a 3-year corporate responsibility strategy focusing on three key United Nations Sustainable Development Goals: Zero Hunger, Quality Education and Clean Water and Sanitation. An exciting initiative already in progress under this strategy is the construction of the USAP Community School for underprivileged students in Marondera, Zimbabwe which Simbisa Brands is supporting through various fund-raising initiatives with its suppliers as well as the business community in Zimbabwe.

Outlook

The upcoming financial year has exciting prospects for the Group. The Group has a significant pipeline of new stores and expects to open 87 new stores in FY23, mainly in Zimbabwe (45) and Kenya (30) at a cost of about US$23 million. The Group is generating sufficiently strong free cashflows to drive this growth. The Board intends to implement a number of initiatives to invest any additional free cash generated in additional areas, in order to achieve the Groups' overall target growth trajectory.

In Zimbabwe, inflation eased significantly in August from a mix of global and domestic factors. The Fiscal and Monetary Authorities in Zimbabwe are to be commended for the bold decisions taken towards the end of the period under review to address their previous policy mis-steps. It is the Boards' hope that the prudent and pragmatic regulation of the fiscal space will continue and usher in a more stable and predictable economic environment in Zimbabwe in the medium to long term. There is a dire and urgent need to address the current and unnecessarily punitive Taxation laws in particular Intermediated Money Transfer Tax (IMTT).

In the Regional businesses, global inflation will continue to be the single biggest factor influencing the Group's plans. The Board is confident that the measures put in place by management in the respective countries to address these challenges.

The Board remains focused on monitoring customer experience improvements across the Group and making sure that our staff will continue to focus on providing the best customer service.

Appreciation

On behalf of the Board, I would like to acknowledge the hard work and dedication of the more than 8,500 employees across the Group. I also wish to express our sincere appreciation to our loyal customers and business associates for their continued support and patronage. Finally, I recognise the efforts of my fellow Directors and Executive Management in producing this outstanding result.

ABC CHINAKE
Independent Non-executive Chairman
Harare
26 September 2022

Chief Executive Officer's Report

Trading Environment

Although 2022 marked an emergence from the Covid-19 pandemic and related restrictive operating conditions in our markets, new challenges emerged during the period predominantly from global inflationary pressures and supply chain disruptions stemming from the war in Ukraine.

These developments have catalysed record high inflation and currency volatility in our trading markets. Simbisa Brands performed remarkably well in the face of economic headwinds and stands poised to ride the wave of economic recovery from the effects of the pandemic. Measures have been implemented to ensure the business remains resilient to the new challenges.

Zimbabwe endured the dual pressures of lingering Covid-19 operating restrictions and weak economic conditions, characterised by continued currency volatility, policy uncertainty and depressed consumer spending power. Despite the complex operating landscape, Simbisa Zimbabwe continued to grow the business through new store rollouts and achieved impressive double-digit growth in revenue and profitability.

The regional businesses benefited from relaxed trading conditions, returning to full trading capacity in the period under review. On the downside, global inflation and supply chain disruptions challenged the Regional operating markets and high inflation levels, and exchange rate devaluation dominated the operating landscape in FY2022. The regional business remained resilient and continued to grow even in the face of the aforementioned adverse conditions. Simbisa Kenya continued to deliver an aggressive expansion initiative whilst the other markets achieved steady growth of the existing business to maximise shareholder returns.

Group Performance Overview

In the financial year under review, Simbisa faced the challenges of ongoing Covid-19 operating restrictions and economic headwinds generated from record-high inflation levels, exchange rate weakness and overall subdued consumer demand.

Against the myriad of operating challenges, Simbisa Brands achieved strong financial results with top and bottom line growth recorded year-on-year and exceeding performance levels achieved in pre-Covid-19 financial periods. Customer counts grew 28.6% in FY2022 versus the prior year, driven by continued investment in new store rollouts and successful marketing and promotional initiatives in the review period. Real averagespend grew by 10.3% year-on-year. In inflation-adjusted ZWL terms, Group revenue grew 75.9% year-on-year, a very pleasing result, especially amid a challenging operating landscape.

The Group initiated a pricing strategy in the financial year under review that resulted in menu price increments executed in a minimal and phased approach to mitigate the impact on our customers. The strategy aimed to increase prices only as much as necessary to hedge against the effects of inflationary pressures whilst remaining alert to the price elasticity of demand. This approach ensured that the business remained competitive in a price-sensitive environment, where consumer disposable incomes are already under pressure.

The inflationary pressures and exchange rate weakness triggered a series of sharp price increases in essential raw material and cost line items, putting significant pressure on gross profit and operating margins in the period. However, effective cost management policies initiated to counter the effects of inflation allowed the business to realise cost efficiencies.

The organisational structure across all markets changed during the period under review to focus on a brand-oriented structure to enhance and streamline operating efficiencies and improve accountability. This reform will drive value for stakeholders through improved brand standards and optimised operating performance.

Zimbabwe

Simbisa Brands' operations in Zimbabwe continued to be impacted by ongoing Covid-19 trading restrictions, albeit with conditions improving in the second half of the financial year. Counter trading hours were 28% below normal in the financial year under review, with seating restrictions and curfews being upheld throughout the period. The business continued to navigate operating challenges emanating from policy uncertainty, currency volatility and inflationary pressures, with June 2022 annual inflation rates recorded at 257%. As a result of the difficult economic conditions, consumer spending behaviour remains depressed.

Chief Executive Officer's Report (continued)

Simbisa Zimbabwe performed commendably in the period under review, despite a challenging operating environment. Customer counts grew 28.0% year on year whilst inflation-adjusted ZWL average-spend grew 15.7% to deliver a 48.1% increase in inflation-adjusted ZWL revenue in FY2022 from the prior year. Top line growth was driven by new store openings, with 27 counters opened in the financial year under review to close 30 June 2022 with 261 counters in operation. The market also achieved same-store revenue growth in existing outlets through promotional activity, value offerings and increased sales through delivery channels, with total deliveries growing by 55.5% year-on-year.

The aforementioned pricing strategy and strict cost control measures implemented in the financial year under review resulted in margins remaining firm. The market managed to grow operating profit margins between FY2021 and FY2022.

Significant capital investment was made in FY2022 into upgrading the operations' Central Stores and Central Kitchen to increase storage capacity and make the facilities more efficient through automating and streamlining production processes. These initiatives have reduced processing times, enhanced efficiencies, improved product quality, and minimised wastage.

A debt restructure was enacted during the period under review to manage the impact of exchange rate volatility and prescribed lending rate increases.

Regional Operations

Operations returned to full capacity in our regional operating markets as Covid-19 operating restrictions eased in the period under review. A recovery in trading hours resulted in higher footfall in the existing business whilst new store rollouts accelerated growth in customer counts. Record high inflation levels, particularly on food and energy prices, supply chain disruptions, and exchange rate devaluation triggered raw material and operating cost increases in most of our regional operating markets. These developments led to significant downward pressure on margins and negatively impacted consumers' disposable incomes and general spending patterns in FY2022.

The strategic focus in the regional markets in the financial year under review was on hedging the businesses against inflationary and exchange rate pressures, continued organic growth and an increased contribution from delivery channel sales.

Revenue generated by our regional operations increased 38.1% year-on-year in USD terms and 213.5% in inflation-adjusted ZWL terms, of a 30.1% increase in customer counts and a 6.1% increase in real average-spend in FY2022 versus FY2021.

The Simbisa Brands footprint continued to expand through the opening of 38 new counters in the region in the 12 months to 30 June 2022.

Kenya

Trading restrictions in Kenya eased considerably in the period under review, with Simbisa Kenya resuming normal operating hours in the second half. However, the market experienced significant inflationary pressures in the FY2022 period, with annual inflation accelerating to 7.9% in June 2022, its highest level recorded since August 2017. The Kenyan Shilling depreciated by 9.2% against the US Dollar from a closing rate of 107.9 in June 2021 to a record-high closing rate of 117.87 in June 2022, fuelled by inflationary pressures and pre-election uncertainty.

New store growth, improved trading hours, and promotional activity resulted in a 32.8% increase in customers in FY2022 versus the prior year. The customer base reached a record high and grew against pre-Covid-19 trading periods (+13% versus customer counts recorded in FY2019). Real average-spend increased 4.9% in FY2022 versus the prior year on the back of a supportive pricing strategy and increased delivery contributions. Resultantly, FY2022 revenue grew 44.3% versus the prior year in Local Currency Terms and 39.2% in USD terms, a commendable achievement in the face of adverse trading conditions.

In the delivery business, Kutuma Kenya (Pvt) Limited, a new operating model was implemented. The fleet operations were restructured to improve flexibility and enable rapid capacity scaling as required. Major efficiency initiatives executed in FY2022 focused on successfully reducing delivery times and improving the overall customer service experience. One such initiative involved restructuring the pricing model to match the products sold through Dial-a-Delivery to the in-store prices, benefiting the customer and improving the Dial-a-Delivery service's long-term competitiveness. New rider application and dispatch technology rolled out in April 2022 will further improve delivery time performance and reduce direct unit costs.

Simbisa Kenya continued to execute an aggressive expansion strategy by opening 38 new counters in the twelve months to 30 June 2022, to close the period with 206 counters.

Chief Executive Officer's Report (continued)

Zambia

The Zambian Kwacha appreciated 24.4% year-on-year against the US Dollar from a closing rate of 22.63 in June 2021 to a closing rate of 17.11 in June 2022. Post-election optimism, a potential debt restructuring and a bailout package from the IMF have seen a rally in the Kwacha. Supported by the strengthening exchange rate, annual inflation in Zambia registered 9.8% in June 2022, dropping below 10% for the first time in almost three years, bucking the global trend of record consumer-price growth. Despite a positive economic outlook, Simbisa Zambia's operations were still affected by reduced disposable income, removal of subsidies on energy costs and intensified competition in the Quick Service Restaurant sector.

The business drove top-line growth through aggressive marketing and brand-specific promotional activities to counter competition and declining consumer spending. The success of these initiatives, together with recovery from Covid-19 operating limitations, resulted in Simbisa Zambia growing customer counts by 19.7% in FY2022 versus the prior year. Average-spend grew 24.2% in real terms, on the back of Simbisa's pricing strategy and supported by the appreciation of the Kwacha in the same period. FY2022 US Dollar revenue increased 48.8% year-on-year. Both revenue and operating profit recorded a five-year record high, surpassing levels achieved even in the pre-Covid-19 operating environment.

The focus in Zambia during the financial year under review was on driving growth and unlocking efficiencies in the existing business, and growing the customer base in the higher LSM segment. In this vein, Simbisa Zambia opened 2 Rocomama's restaurants in FY2022 and closed one under-performing Pizza Inn outlet, closing 30 June 2022 with a total store count of 33.

Mauritius

Mauritius was not spared the effects of global inflation. The annual inflation rate in June 2022 was 9.6%, a 13-year record high. The Rupee depreciated 7.4% against the US Dollar between June 2021 and June 2022.

During the financial year under review, the focus in the market was on consolidating the brand portfolio to focus on the Pizza Inn and Vida e Caffe brands in this market and restructuring the format of the Pizza Inn brand from table service to a counter service QSR model. As part of the restructure, the market closed six counters in FY2022 and in Q4, the Dial-a-Delivery brand was dissolved and replaced by Pizza Inn delivery. Two new Pizza Inn counters opened in the financial year, with the market closing the period with 13 counters in operation as at 30 June 2022.

Even with the closing of 4 net counters in the period under review, Simbisa Mauritius managed to grow customer counts by 22.1% in FY2022 versus the prior year due to a relaxing of Covid-19 restrictions in the period and a successful marketing and promotional strategy. Average-spend increased 12.5% year on year in Local Currency terms and 3.1% in real terms, resulting in top-line growth of 25.9% in FY2022 versus FY2021.

Despite inflationary pressures on margins during the period under review, significant cost savings were achieved through enhanced efficiencies under the new operating model and strict cost management policies implemented. This resulted in significantly improved operating margins in FY2022 versus the prior year period.

Ghana

Ghana's annual inflation rate accelerated to 29.8% in June, the highest reading since December 2003. Inflation is being fuelled by soaring public debt levels, currency weakness, global food and energy price increases, as well as the Government's removal of subsidies on import duties and introduction of new, unclaimable levies into the VAT input tax. The Ghanaian Cedi depreciated a significant 36.0% from a closing rate of 5.85 in June 2021 to a closing rate of 7.96 in June 2022.

A relaxation in Covid-19 restrictions and new store growth allowed the market to grow customer footfall significantly in FY2022 resulting in a 27.1% increase in customer counts in FY2022 versus the prior year, despite depressed economic conditions. Whilst local currency average-spend grew 9.7% year-on-year, the devaluation in the Cedi led to a 2.3% decline in average-spend in US Dollar terms. Local currency revenue growth outpaced inflation, and Simbisa Ghana managed to grow US Dollar revenue by 24.2% in FY2022 versus the prior year period.

In the financial year under review, two new counters were opened in Ghana, including a Chicken Inn Drive-Thru, bringing the total number of counters to 25 as at 30 June 2022.

Franchised Markets

The DRC achieved top-line growth of 47.1% in FY2022 versus the prior year period. Revenue growth was driven by a 30.5% year-on-year increase in customer counts and a 12.7% increase in average-spend. Due to relaxation in trading restrictions in the DRC and aggressive promotional activity and new store openings, top-line performance improved significantly, particularly in the second half of the financial year. Cost management efforts bore fruit, and the market grew operating margins in FY2022 versus the prior year.

There were 12 new counters opened in the DRC between 30 June 2021 and 30 June 2022 to close the period with 29 counters in this franchised market.

Chief Executive Officer's Report (continued)

Strategic Focus

Simbisa Brands' more developed markets, Zimbabwe and Kenya, are focused on increasing revenue streams through delivery channels and growing the market share through new store openings. Particular attention will be paid to penetrating the market in areas currently underserviced by our brands, particularly in small towns and high-density areas. There are 75 new store openings in the pipeline in Zimbabwe and Kenya alone for FY2023. Several Chicken Inn Drive-Thrus are in the pipeline as this has proved a value accretive brand concept. In Zimbabwe, the Group is exploring introducing the Drive-through concept for other brands such as Nandos and Steers.

To bolster delivery revenue streams in Zimbabwe, the focus is on increasing delivery capacity by scaling operations across the country by acquiring more bikes and increasing the number of call centre agents. A strategic decision was made to transition Pizza Inn to deliver exclusively on the Dial-a-Delivery platform in Kenya, effective 1 September 2022. Establishing Dial-a-Delivery as the premier pizza delivery service in Kenya will allow Simbisa Kenya to continue dominating this market segment against third-party delivery services and QSR competitors through the continued growth of the Pizza Inn brand. It will bolster delivery revenue streams to Simbisa Kenya through the growth of Pizza Inn delivery volumes and enable improvements in service quality. In both markets, initiatives in FY2023 will focus on improving order and bike tracking, thereby reducing delivery times and improving the overall customer experience.

Simbisa Brands' other Regional markets will focus on consolidating and developing existing shops to generate growth from the existing capacity to increase shareholder returns on current investments. New store development will be highly selective, with only the best possible sites being considered. Only eight such sites have been identified and included in the pipeline for the remaining regional markets in FY2023. Making improvements to the delivery businesses in these markets remains a key priority.

The Group will continue to carefully assess and execute the pricing strategy adopted in the current financial period to hedge against high inflation and exchange rate weakness while remaining sensitive to customer affordability. Careful cost management policies will be implemented in the FY2023 financial year to counter the negative impact on margins.

Outlook

Despite economic headwinds and challenges emanating from the Covid-19 pandemic, the Group has managed to grow the business to record levels and continues to create value for stakeholders. With the easing of trading restrictions in our operating markets, trading capacity has scaled up, and with that, customer counts have shown a recovery.

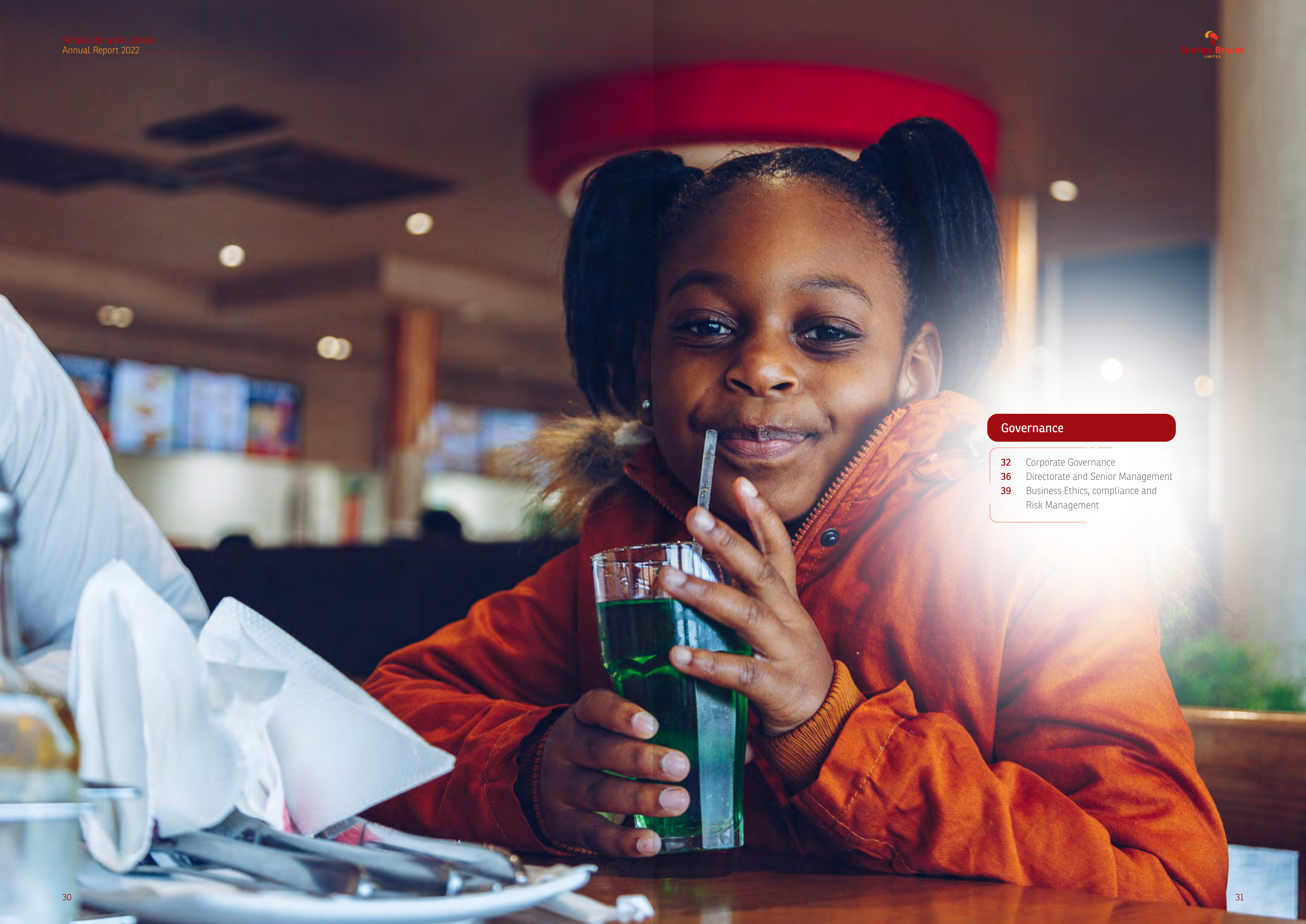
This highlights the robustness and resilience of Simbisa Brands' operating model, which stands the Group on solid ground to ride the wave of recovery into FY2023 and beyond as we leave the worst of the impact from the Covid-19 pandemic behind us.

A substantial investment pipeline, with 180 potential projects identified over the next two financial years, will drive growth and unlock shareholder value. As aforementioned, the primary growth markets will be Kenya and Zimbabwe in the short to medium term. However, the Group remains vigilant of new growth opportunities in existing and potential new markets and continues exploring business development options.

Between 2022 and 2024, Simbisa Brands intends to make significant progress in firmly establishing itself as a corporate that bridges the gap for people in various communities. This will be done by focusing the Simbisa Brands Corporate Social Responsibility strategy on three key United Nations Sustainable Development Goals: zero hunger, quality education, clean water, and sanitation. The Group is also embarking on a project to build a community school in Zimbabwe for underprivileged learners.

The business's success over the period under review could not have been achieved without our staff members' hard work and dedication, and I would like to extend my sincere appreciation for their efforts. I would also like to thank the Simbisa Board of Directors, our loyal customers, suppliers and other stakeholders for their continued support during these challenging times.

B Dionisio
Chief Executive Officer
26 September 2022



Governance

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

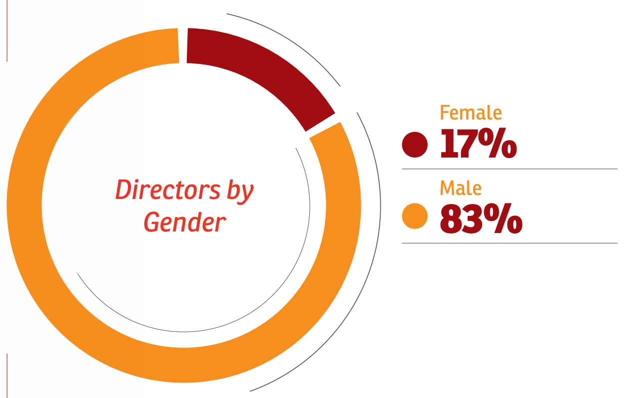
The Board is responsible for setting the strategic direction and policies to ensure the sustainability of operations. The Board works in conjunction with committees whose recommendations and/or decisions are reported at board meetings. The Board also delegates responsibility to the Chief Executive Officer 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.

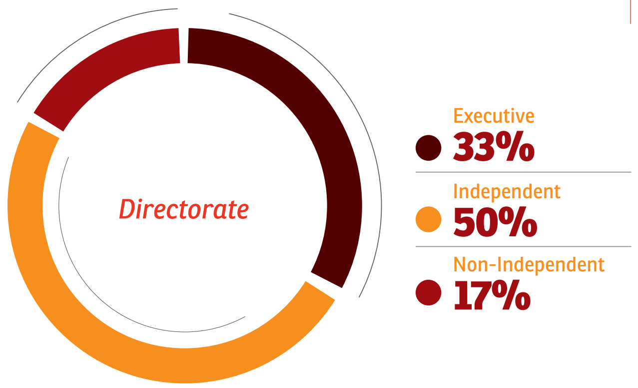
Board composition

As of 30 June 2022, 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 36 to 37 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)

Board Composititon





Nomination of Directors

Directors are nominated for the Board as per 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 deliberation and 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 their review. The appointment of the candidate is ratified at the Annual General Meeting (AGM).

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 related to the furtherance of their duties or advancement of the Group's business objectives.

Board evaluation

On a quarterly basis, 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 communication with stakeholders

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 stakeholder's 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 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.

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.

Governance (continued)

Committee	Members	Terms of Reference
Audit and Risk	Amit Gupta: *Chairman* Jaqueline Hussein	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 responsible for reviewing regularly, the composition of the full Board, and where it appears to be lacking in skills or experience in a certain area, to identify how best to rectify the situation hence playing a key role in orchestrating succession planning within the Company and evaluating and determining the appointment of suitable candidates to the Board, as well as terminations. The Committee meets at least two times a year at appropriate intervals to enable the Committee to execute its duties effectively.
Nomination	Addington Chinake: *Chairman* Amit Gupta Zinona Koudounaris	The Nomination Committee was established in compliance with the Zimbabwe Stock Exchange Listing Requirements to recommend the selection and board members based on established and approved criteria only. Other responsibilities include determining the number of executive and non-executive posts on the board, considering the skills and history of proposed candidates among others.
Executive Committee	Basil Dionisio *Chairman* Baldwin Guchu Warren Meares Onias Moyo Leighton Shaw Dylan Meiburg Salim Eceolaza Trever Wagenaar Robert Machira Charles Gitau Manoli Vardas Morne Deetlefs Praveen Aggarwal George Nheweyembwa	The Executive Committee is responsible for formulating, directing and implementing strategic decisions. The Committee meets 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	Executive Committee
Addington Chinake	2015	4/4	n/a	1/1	2/2	4/4**
Basil Dionisio*	2015	4/4	3 /3**	n/a	2/2**	4/4
Baldwin Guchu*	2018	4/4	3/3**	n/a	2/2**	4/4
Zinona (Zed) Koudounaris	2015	3/4	n/a	1/1	2/2	n/a
Amit Gupta	2015	4/4	3/3	1/1	2/2**	4/4**
Jaqueline Hussein	2021	4/4	3/3	n/a	n/a	4/4**

* Executives
** Attended by invitation
n/a Not a committee member.

Directorate and Senior Management

BOARD OF DIRECTORS

Non-Executive Directors

Addington Chinake
Independent Non-Executive Chairman

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

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

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

Zinona (Zed) Koudounaris
Non-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 Sciences. Zed is a founder shareholder of Innscor. He was the driving force behind the initial creation and success of the Innscor's core fast food brands. Zed has held a number of positions within Innscor, including Chief Executive Officer upon the Group's listing in 1998. Zed remains highly active in pursuing strategic growth opportunities for the Group and providing guidance to its management team.

Amit Gupta
Non Executive Director

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

Jaqueline Hussein
Non Executive Director

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

Executive Directors

Basil Dioniso
Group Chief Executive Officer

An experienced operator with more than 38 years of experience across multiple markets and facets of business. Zimbabwean born and raised, Basil has been with Simbisa Brands since its inception and is a founder shareholder. Prior to his appointment as CEO of Simbisa Brands, 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 Brands' business processes which has led to the instrumental success of the Group's regional fast food expansion program.

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

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

Baldwin Guchu
Group Finance Director

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

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

Senior Management

Group Executives

Basil Dionisio	Group Chief Executive Officer
Baldwin Guchu	Group Finance Director
Divine Chikobvu	Group Finance Manager
Farai Machodo	Group Financial Controller
Carla Clack	Group Business Analyst
Michelle Fisher	Group Corporate Executive
Leighton Shaw	Group Projects Executive
George Nheweyembwa	Group Business Development 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
Trever Wagenaar	Managing Director - Galitos Division
Robert Machira	Finance Director - Simbisa and Galitos
Charles Gitau	Managing Director - Kutuma Kenya Limited
Deogratias Okango	Finance Manager - Kutuma Kenya Limited

Ghana

Manoli Vardas	Managing Director
Lifa Ncube	Finance Manager

Mauritius

Praveen Aggarwal	Managing Director
Peter Musoko	Finance Manager

Zambia

Morne Deetlefs	Managing Director
Irvine Gwanyira	Finance Manager

Business Ethics, Compliance and Risk Management

Business ethics

The Group believes in ethical practices that embed socioeconomic 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 Brands 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 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 laws, regulations 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:

- Observing all in-country legislation through the Group Legal
- Observance of tax and exchange control regulations through ongoing training.
- Financial reporting and accounting in terms of IFRS 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, no material noncompliance incidences were identified.

RISK MANAGEMENT

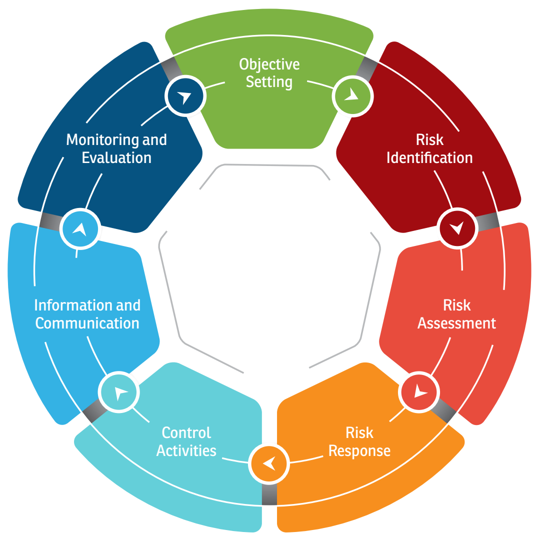
At Simbisa Brands, risk management enables us to create and preserve value with the ultimate purpose of achieving our mission. The Group's enterprise risk management is guided by the Simbisa Enterprise Risk Management ('SERM ') Policy. The policy ensures that all forms of risks are identified and managed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

Risk governance

The Board has the ultimate responsibility for risk management in the Group, 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 (GFD) serves as the Chief Risk Officer (CRO) and provides timely risk management information to the Executive Management Committee ("Exco"), Audit and Risk Committee and Board of Directors.

Framework for managing risk

Our risk management framework starts with a comprehensive evaluation of the environment we operate in and based on this we identify and understand the inherent risks. Risk analysis breaks down and details all the potential risks according to their levels of impact on the business present and future performance and the effectiveness of existing controls. The Risk Evaluation process entails the comparison of the estimated risk against the set criteria to determine the risk's significance, the necessary course of action and required resources.



Risk Management

Approach to managing financial risk

> Management has taken a loss and prevention approach to financial risk, which involves minimising the loss, rather than completely eliminate it. Due to the nature of business which is predominantly cash and stock items that are easily convertible to cash, we understand that it is difficult to eliminate financial risk, avoid or transfer it.

While accepting the risk, we stay focused on keeping the loss contained and preventing it from spreading by constant monitoring, shop visits and reviews.

The five main methods of managing financial risks includes:

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

Approach to managing sustainability risk

Management has taken a similar approach to sustainability risk whereby avoidance, transfer and sharing of risks with third parties have been deemed inappropriate. Constant monitoring, checking and reporting including independent checks by independent departments in order to manage risk to acceptable levels.

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

Risk Management (continued)

Risk Management (continued)

Approach to managing sustainability risk (continued)

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

Risk Category	Risk Description	Risk Mitigation Measures
Financial Risk	Policy instability. Sudden and adverse monetary (exchange rate related) and fiscal policy pronouncements for instance the increase in interest rates from 80% to 200% in Zimbabwe, negatively affecting cash flow circle.	Reducing the impact on the business in the shortest possible time such as paying off all expensive borrowings.
	Increase in overheads costs due to increase in fuel prices driven by global prices as well as utilities such as electricity, rates, water charges municipal and environmental licences.	Monitoring of cost drivers and usage on a daily basis, switching off equipment when not in use.
Compliance and regulatory	Non-compliance with laws and regulations due to frequent changes and misalignment with other legislation.	Constant communication with bankers, tax authorities and other regulatory bodies to receive advice on implications of changes in legislation.
Operational Risk	Shortage of raw materials namely chickens. Failure by our key chicken supplier to meet demand for chickens resulting in selling of out of spec, this has resulted in the business supplementing supply using inconsistent small suppliers.	We entered into funding arrangements with new small scale chicken suppliers to ensure products availability and lock in prices.
	Raw materials shortage. Global food security risk resulting in shortages of key raw materials such as rice and flour due to the war in Ukraine.	Enter strategic forward buying arrangements with key suppliers.
	Power shortages due to load shedding and faults leading to reduced trading hours and increase in operating expenditure.	Continuously engaging fuel suppliers to secure an uninterrupted supply of fuel at wholesale prices. Engage power authorities for transfer to strategic grids where possible.
	Decline in customer counts due to a serious disease, namely COVID-19 pandemic	Proactively engage authorities for extended trading hours and come up with internal management system to reduce risk of infection among staff. Scale up the DaD part of the business.
	Industrial action by staff in response to ever-increasing cost of living due to the macroeconomic challenges.	Regular review of salaries to match or surpass recommended by industry bodies across our markets. Offering of non-salary benefits namely, transport allowance in cash and food hampers.

Sustainability

Sustainability

> Simbisa Brands is proud of the efforts it has made in developing its sustainability practices, consequently demonstrating why doing good business has always been a part of how it operates.

We continue to voluntarily account for the social, economic and environmental impacts of our business. We have made progress in improving our sustainability practices and values.

Our Sustainability Approach

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 customers, employees, suppliers, communities, industry, shareholders and regulators. Our operations tap into the vast resources, relationships 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. As a fast food business, the quality and safety of our food products remains 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 impacts. Below are the key strategic sustainability areas of focus for the Group:

Sustainability governance

The responsibility of business sustainability lies with the Board but cascaded as a shared responsibility across the business. During the financial year, the Group re-calibrated 13 policies to strengthen our sustainability practices. In implementing these policies, the Group assigned key individuals with the responsibility of coordinating 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 on 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 stakeholder engagement in our business helps us in identifying and managing a broad range of risks and business opportunities. The Group's business values rest upon being honest, inclusive and responsive to stakeholders' concerns. We rely on good stakeholder engagement processes that are based on a shared responsibility with all our employees and management. This is embedded in how we interface with our stakeholders daily.

Sustainable capital management

The long-term success of our business rests upon sustainable management of our various forms of capital. We consider natural, human, intellectual, financial, manufactured and social relations as capital input into our business model. The deployment of these capitals is a key responsibility of management for the Group.

Stakeholder Engagement

Approach to stakeholder engagement

The process of defining stakeholder groups entails the identification of stakeholders as individuals or groups who have an interest in the business and that are impacted by the outcomes of the business. We prioritise stakeholders in accordance with the prioritisation set and key stakeholders are engaged on the basis of the materiality of their concerns. We incorporate the evaluation of prevailing operational conditions, and issues raised are classified into economic, environmental and social issues to determine the response approach.

The ultimate purpose for conducting stakeholder engagement is to gather varied information on our stakeholders' impressions and expectations of our Group's operational activities. Subsequently, the collected information provides an in depth understanding of our expected involvement, communication requirements and a comprehensive engagement strategy.

Stakeholder groups were systematically identified and assessed on the degree to which they can impact the business. The next steps are to group them according to their level of participation, interest and influence in the business and determining how to best involve and communicate with each of these stakeholders throughout the process, plan with the team on how to strategically proceed and engage more effectively with stakeholders and lastly to monitor stakeholders.

In addition, we proactively consider the needs and desires of anyone who has a stake in our business, which can foster connections, trust, confidence, and buy-in for the business' key initiatives to mitigate potential risks and conflicts with stakeholder groups, including uncertainty, dissatisfaction, misalignment, disengagement, and resistance to change. The business strives to establish clear communication lines with assigned and authorised personnel to guarantee productive conversations with all stakeholders.

Our stakeholders are categorised as follows:

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

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

Engagement Activities for the year

Stakeholder	Material issues raised	Mitigation measure	Engagement channel	Frequency of engagement
Employees (the employees of Simbisa Brands)	• Staff rewards and recognitions. • Employee relations. • Staff development and growth skills gaps. • Cost of living and thus affecting salaries. • Risk of Covid-19 in the work place. • Fair working conditions. • Welfare and security. • Remuneration.	• Ongoing discussions on working conditions. • Job restructuring and new recruitment. • Incentive schemes. • Internal training programmes. • Promotion opportunities. • Staff salaries reviews. • Adherence to Covid-19 protocols. • Shifts for shop floor workers.	• Meetings. • Internal Memorandums. • Emails. • Employee surveys.	• Weekly. • Monthly. • Quarterly.
Customers and Consumers	• Product and service quality. • Value proposition. • Covid-19 pandemic safety measures. • Customer service. • Food safety. • Dining experience • Dispatch and delivery time of orders.	• Monitor quality controls • Frequent promotional activities. • Adhering to governments protocols on restaurants • Continuous customer engagement. • Quick response to customer needs and demands. • Competitive pricing and promotions.	• Surveys. • Advertising. • Indoor bulletins. • Social media platforms.	• At least monthly. • Frequently.
Suppliers	• Delayed payments/ extension of payment terms • Price increases due to supply chain disruptions • Credit terms. • Material price increases. • Involvement of suppliers in promotions.	• Commitment letters with payments schedules. • Contractual negotiations. • Credit terms review. • Negotiation with suppliers on price increases. • Supplier negotiation and discounts.	• Telephone calls. • Emails. • Meetings with suppliers.	• Daily. • Weekly. • Monthly.
Industry (Food industry associations and regulators)	• Food handling guidelines • Public health standards and policies.	• Compliance requirements. • Inspection and licencing. • Food handling certifications from local governments.	• Briefing meetings • Certifications. • Evaluation exercises.	• Quarterly. • Semi-annually.
Governments and regulators	• Payment of Taxes. • Financial disclosure. • Adherence to labour laws. • Legal compliance. • Food safety and quality • Environmental compliance	• Compliance with existing laws • Application of operational licences/permits • Tax compliance. • Medical testing of staff.	• Statutory returns. • Meetings and Seminars. • Written replies to public enquiries.	• Monthly. • Quarterly. • Annually.

Engagement Activities for the year (continued)

Stakeholder	Material issues raised	Mitigation measure	Engagement channel	Frequency of engagement
Shareholders and potential investors	• Growth potential. • Solid management team. • Sustainable returns on investment. • Information disclosure.	• Continuous engagement. • Improving profitability. • Intensive marketing of our products • Controls on stock loss • Cheapest possible supplier • Increase Brand awareness	• Board meetings. • Periodic Reports. • Shareholder meetings. • Reports. • Press release. • Emails and telephone calls.	• Monthly. • Quarterly. • Annually.
Local Communities	• Community support. • Social welfare programmes. • Employment Opportunities.	• Corporate social responsibility. • Environmental preservation. • Employment opportunities.	• Social media • Informal engagements. • Focus group discussions.	• Quarterly • Annually.

Materiality

The Group conduct materiality assessments to identify, prioritise and understand issues of significant impacts on the business and stakeholders.

The varying nature of sustainability impacts and stakeholder concerns requires the Group to take appropriate measures.

Materiality Approach

The Group applies 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 topic to the business. We also consider 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 prioritise and approve the final list of material issues based on their assessment of stakeholders and business interest.

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

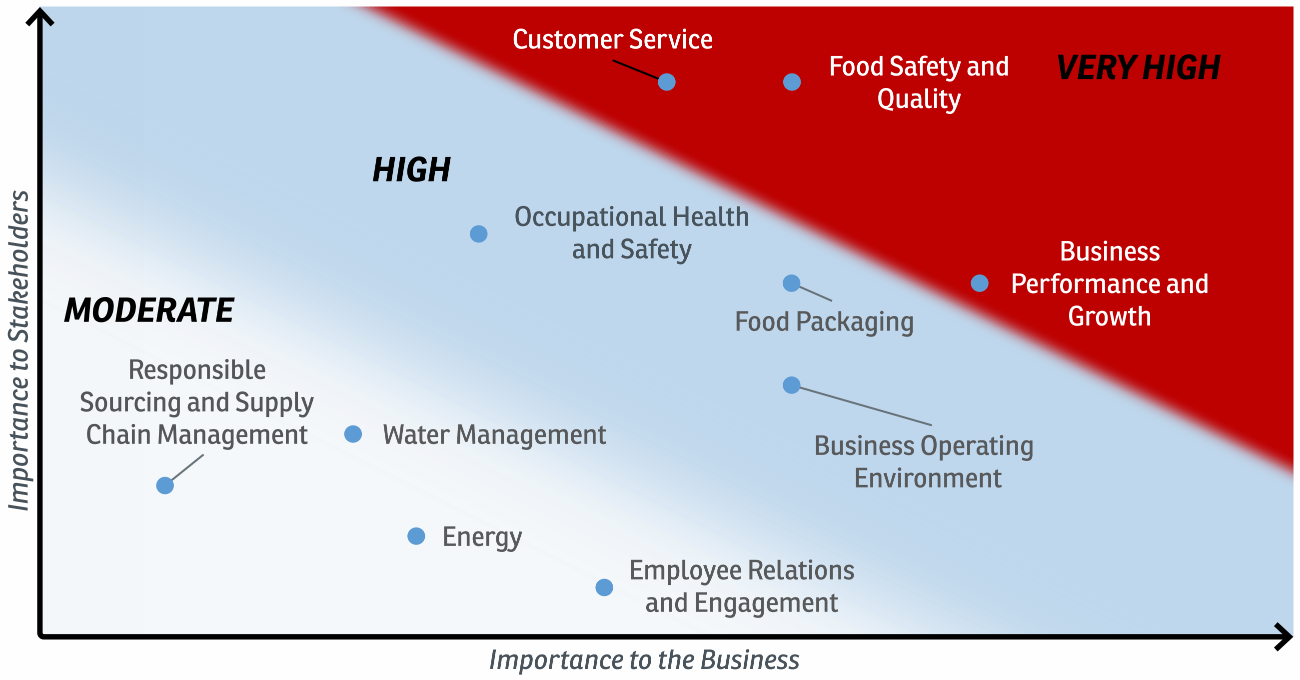
Social	Environmental	Economic
• Customer Service. • Food Safety and Quality. • Occupational Health and Safety. • Employee Relations and Engagements. • Corporate Social Responsibility. • Gender Diversity and Inclusion. • Labour Practices and Human Rights.	• Water. • Green Buildings Outlets • Climate Change. • Energy. • Food Waste Management. • Food packaging.	• Responsible Sourcing and Supply Chain • Management. • Business Operating Environment. • Anti-corruption. • Business Performance and Growth. • Tax.

Materiality (continued)

Materiality Matrix

The materiality analysis below shows the top 12 topics identified and ranked as the most significant to the business and its stakeholders, with food safety and quality, customer service and business performance and growth impact considered as significantly material during the reporting period. Assessment by the Group showed that they were no significant changes on the material topics from prior year.

Simbisa Brands Materiality Matrix



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

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 customer relations. In line with this, the Group's Customer Service Policy was recalibrated during FY2022.

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.

Customer Service Initiatives

The learning and development department

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

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

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. The Food Safety Policy was also recalibrated during FY2022.

Management of food quality and safety

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 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 on meal quality and safety to help us improve. These platforms allow the business to get feedback from customers in real time which 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 assists 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)

Improving our performance

To improve our service, we undertake the following:

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 scorecard to evaluate and assess the performance on a number of criteria such as wastage and complaints. Meal quality and safety are key elements 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 and audits;
- The operations teams are provided withperformance improvement plans where following recommended SOPs are part of the improvement plan;
- Resourcing customer service personnel with a cell phone to increase the frequency of follow ups with all teams involved with customer service;
- Training department increasing the number of trainers so that there is a wider and more frequent reach on training. Staff are retrained on the standard operating procedures; and
- Structural changes in large markets to ensure standards are maintained daily.

Responsible Operations

Responsible Sourcing

We source ingredients and other materials for the preparation of our meals from different suppliers. 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.

Restaurants

We thrive to ensure that our restaurants maintain high standards of hygiene by regular cleaning and monitoring. We do our best to ensure our restaurants are clean and environmentally friendly to offer our customers the best experience. In light of the Covid-19 pandemic, we installed sanitisers at the entry of each shop. In FY2022, Simbisa Brands prioritised the safety of both employees and customers through strict hygiene.

Ingredients

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

Indicator	Unit	2022	2021	2020
Proteins	Tonnes	13 171	7 604	6 014
Starch	Tonnes	24 109	15 286	11 615
Oils	Litres	2 864 670	1 706 313	1 109 782

Energy

Our operations are highly energy intensive due to the bespoke 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.

Management approach

Energy management is the responsibility of every employee, guided and supported by the facility/energy manager. The Group enhanced its Energy and Climate Change Policy to enhance energy efficiency and manage climate change impacts. We assess our energy performance and share energy use data with all employees. The Group uses overhead analysis measures; generator run time and the record of downtime to track the effectiveness of the actions taken by evaluating meter readings, detailed income statements and budgets.

Responsible Operations (continued)

Key energy management processes are as follows:

Measurements	Collection of data within a facility and analysing contribution to total Group 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:

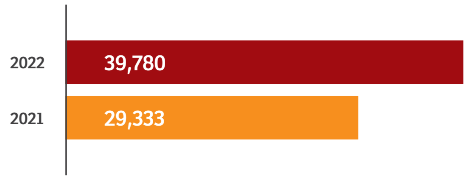
Fuel

Indicator	2022	2021	2020
Petrol (Litres)	205 952	170 988	154 976
Diesel (Litres)	612 990	245 414	205456
Total	818 942	416 402	360 432

Electricity Consumption

↑ 36%

39,780Mwh
(2021: 29,333 MwH)



Indicator	2022	2021	2020
Energy Consumption (Mwh)	39 780	29 333	27 007

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 with the recent 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. We have developed and implemented the water stewardship management policy during the reporting period. Preserving water is the responsibility of each staff member and customers when in our premises. We continue to educate our staff and customers across all operations about water conservation and stimulate innovations that optimise water consumption.

Indicator	Unit	2022	2021	2020
Municipal	Cubic metres	9 130 789	9 641 766	4 801 228
Borehole	Cubic metres	15 177 600	14 880 000	955 891
Total	Cubic metres	24 308 389	24 521 766	5 757 119

Environmental Stewardship and Climate Change

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.

Waste

Waste is an inevitable by-product, primarily from food and packaging. Waste management is important to our business because it helps in reducing our environmental impacts, operating costs, and damage to our brand reputation.

Management approach

We enhanced our Waste Management Policy to guide our operations to diligently ensure waste is minimised and segregated before disposal.

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 authority health inspectors assess our premises for compliance with all the necessary standards in the food industry.

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. Some of our operation have solar energy as we transition to renewable energy.

During the year, we redeveloped our Energy and Climate Change Policy to guide all our operation on who to best response to climate change imperatives.

Employees

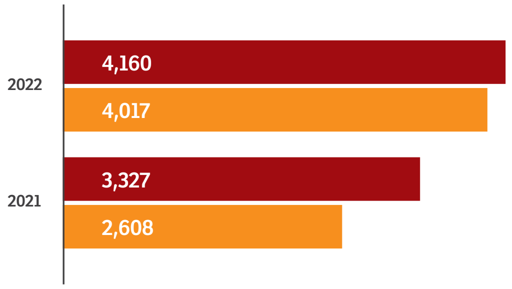
Our employees are at the centre of our capacity to generate sustainable value. Their interactions with our varied stakeholders allow us to listen and give back value. We provide an atmosphere where all our employees can thrive, learn and achieve great impacts.

We continuously strive to maintain a strong and competent human capital base that subscribes to our values of integrity and accountability. The partnership with our employees helps us create and sustain value. 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.

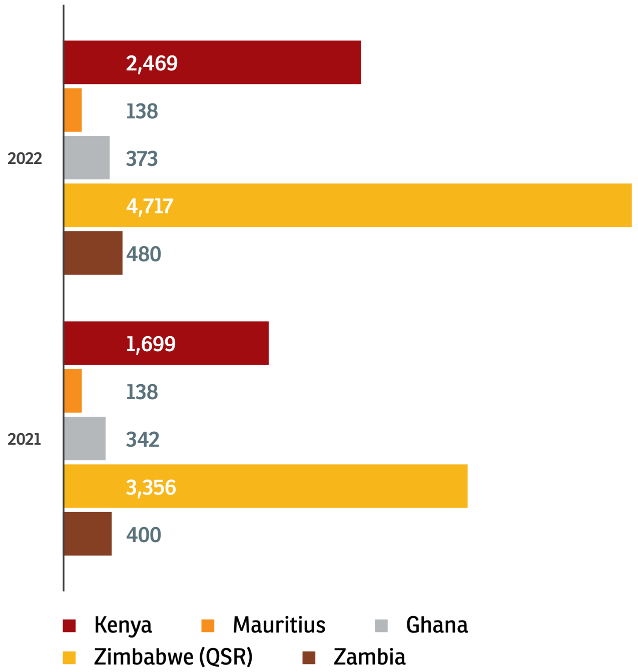
During the year, our employees' composition was as follows:

	2022	2021	2020
Male	4 160	3 327	2 947
Female	4 017	2 608	2 224

Employees by Gender



Total employees by Country



Total employees by Country

Country	2022	2021	2020
Kenya	2 469	1 699	1 729
Ghana	373	342	271
Mauritius	138	138	151
Zimbabwe	4 717	3 356	3 202
Zambia	480	400	N/A

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. This explains why the Group may appear to have high employee recruitment and turnover figures as presented below:

New employees hire by Gender

	Unit	2022	2021	2020
Male	Count	1 891	1 284	1 221
Female	Count	1 834	1 787	1 764
Total	**Count**	3 725	3 071	2 985

Employee turnover by Gender

	Unit	2022	2021	2020
Male	Count	688	1 362	1 271
Female	Count	795	1 353	1 319
Total	**Count**	1 483	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 2022, 81% of our Zimbabwe employees were covered by collective bargaining agreements.

Employee relations

The continuous engagement with 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 is key in strengthening our reputation, employee retention, improving productivity and minimising industrial actions. 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 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.

Employees (continued)

Occupational health and safety

The promotion of occupational health and safety has significant influence on the productivity, retention, morale and well-being of our employees. To promote safety management in the workplace we have developed an Occupational 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;
- Bi-annual training by regulatory authorities;
- Appointment and training of First Aiders;
- Safety drills;
- Wellness Clinics (Zimbabwe - Providence Human Capital); and
- Accident investigation.

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.

Defined contribution pensions

Simbisa Brands operates pension funds and social security scheme in the countries of operations. During FY2022, our contributions were as follows:

	2022 ZWL million	2021 ZWL million
Simbisa Brands Pension Fund – Zimbabwe	12.08	17.03
National Social Security Authority – Zimbabwe	1.99	3.52
Social Security and National Insurance Trust – Ghana	17.80	5.54
National Pension Scheme Authority – Zambia	13.10	3.47
Buyanstanshi Pension Scheme – Zambia	14.71	4.18
National Social Security Fund – Kenya	11.48	4.16
National Savings Fund – Mauritius	14.38	8.91
Social Security Commission – Namibia	—	0.12
Total Contributions	**85.54**	**46.93**

Human Rights

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 operations. During the reporting period, the Group recalibrated its Human Rights Policy.

The key procedures enabling us to uphold human rights in the workplace includes:

- Code of conduct.
- Remuneration Policy.
- Wellness and health Policy.
- Employee grievance Policy.
- 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 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. Simbisa Brands seeks to promote opportunities for women in most historically "male dominated" departments like maintenance, IT and finance and administration. This is being supported by the Human Resources Policy which has a deliberate equal growth opportunity for women drive. The policy against sexual harassment ensures that we create a conducive environment for women to thrive. In FY2022, the Group enhanced its Gender, Diversity and Inclusion Policy as a commitment to promote gender gender equality in the work place. 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 where stakeholders, 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	2022	2021	2020
The proportion of female employees	49%	44%	43%
The proportion of female Board members	17%	17%	N/A

Investing In Our Communities

Communities play a critical role in our business by contributing human capital, customers and supplying materials. We ensure that the relationship between our business and communities is mutually beneficial.

Our communities are a key pillar to our business as they hold the keys to our social license to operate. The local communities in the areas we operate face significant socio-economic impacts which we significantly alleviate through corporate responsibility. Our CSR model is designed to make positive impacts and contribution in countries we operate. We are very much aware that we don't operate in isolation hence the need to be an active member of communities.

We seek to empower the communities within our jurisdictions. We developed a CSR Policy during the year. Simbisa tends to support the underprivileged and the less fortunate.

Whenever, we received request for social support, the Group Chief Executive Officer and the Group Finance Director evaluate the request and approved before implementation.

During the year, Simbisa Brands ran Community Social Responsibility activities that included:

- Donations of groceries and clothes to Children's Homes.
- Donations of blankets and lunches to Old People's homes.
- Support for hospitals, clinics and front line workers.
- Donations of food to the University of Zimbabwe and National University of Science & Technology (Zimbabwe).
- Paying School fees and supplying uniforms and laptops for 53 students.
- Charity runs to raise awareness and donations to support various causes including Heart conditions in children and epilepsy.
- Donations of reusable sanitary pads and workshops on how to make them as well as menstrual health information dissemination.

Purpose	Recipients	US$	ZWL
Old Age People and Children's homes	-2 Children's Homes	2 746	53 030
Education	- 2 Old Age Homes	—	824 188
Hunger Eradication	- 1 School	680	—
Sanitation	- 2 Universities	—	1 120 240
Charity Run	- 54 Students	192	—
Public Institutions Support	- 1 Organisation	3 217	5 193 103
Health	- 450 Girls	20 719	—
Total		**27 554**	**7 190 561**

Investing In Our Communities (continued)

Supporting the future

Chicken Inn

Chicken Inn on the 7th of April paid fees worth USD800 for 50 students at Kubatana Primary school in Buffalo Range Chiredzi. The selected students were based on financial need and academic excellence.

The Headmaster, Mr Hilary Nhemachena was delighted by Chicken Inn's gesture and stated that the money was a much needed shot in the arm as most parents were struggling to pay fees

On the 14th of April, Chicken Inn donated US$5 000 to Whunga Beitbridge community which was to be channelled towards building on a local clinic. The donation was handed over to the clinic builders' community by Frank Madau representing Simbisa Brands.

In June 2022, Chicken Inn donated 2 piecer meals to ICAZ students in Harare and Bulawayo for their Book Launch.

Pizza Inn sponsored seven students for the Zimbabwe U14 schools' national rugby team to participate in the annual Rugby Academy Week in Krudersdorp, Gauteng, South Africa from 26 June to 1 July 2022.

Investing In Our Communities (continued)

Celebrating Mothers

Bakers Inn

Bakers Inn celebrated with Chikurubi female prison inmates on the 8th of May Mother's Day. The Brand donated 200 lunch packs with Russian and chips and 200 Fizzi drinks to each and every inmate and prison officer.

The inmates also received 50 loaves of bread, 1 case of sugar, 1 case of peanut butter and 1 case of washing powder.

Spreading the warmth

Creamy Inn

In this economic hardships we are facing, basic requirements for living well in later life is proving difficult to obtain particularly to the aged in various homes.

Creamy Inn donated blankets to Fairways, Bumhudzo & Ukuphumuleni old people's home in the month of May. The Brand also wanted to appreciate the elderly and to show that we still love and care for them. The two events were both successful and the elderly were happy. We also provided 55 Russian and chips meals recipients at Bumhudzo old peoples home courtesy of Bakers Inn.

Investing In Our Communities (continued)

Sexual Reproductive Health

Nando's

Nando's has partnered with Kunashe Foundation in ending period poverty for at least 2,250 school going girls by the end of 2022. We will be donating to rural schools in every province of Zimbabwe to achieve this goal.

The current donations were conducted in Mashonaland East, West and Central with a view to donate to the 7 remaining Provinces.

- To date 450 girls have been trained on the following:
- Tracking one's period days.
- Making their own reusable pads.
- What is normal and not normal period related discomfort and what to do about the abnormal one.
- Healthy hygiene practices in and out of the menstrual period.
- Emergency responses to an unexpected period.

A Period Pack which comprised of the following items was donated to each girl: 1 set reusable pads (4 reusable pads, 1 x period calendar, 1 x carry bag)

Women's Day

In line with our CSR initiative, Nando's celebrated Women's month by hosting the Simbisa Ladies to a Breakfast together with the Simbisa Head Office.

The breakfast was held at the Simbisa Brands Corporate Head Office in collaboration with Kunashe Foundation.

The focus was on Menstrual Health and Happy Periods with the following topics in discussion:

- Endometriosis
- Fistula
- Fibroids
- Menopause (premature and regular)

50 ladies were gifted with a Period Pack which comprised of the following items:

- 1 set reusable pads (2 waterproof shields, 8 absorbant liners, 1 x menstrual cup, 2 x panties, 1 x towel & 1 cake of soap

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 Development Goals.

Our plans are to align the Simbisa Brands CSR strategy to 3 key United Nations Sustainable Development Goals which are:

- **Zero hunger** - End hunger, achieve food security and improved Nutrition and promote Sustainable Agriculture.
- **Quality Education** - Ensure inclusive and equitable quality Education and promote lifelong learning opportunities for all.
- **Clean water and sanitation** - Ensure availability and sustainable management of water and sanitation for all.

Simbisa is driving towards Society Protection

Focus on alleviating hunger, especially in 5,000 pregnant and lactating mothers and 15,000 children under 5 years of age

#01

End period poverty for at least 10,000 girls by educating and supporting young girls and women in disadvantaged areas

#02

Provide access to quality and equitable education to at least 15,000 young disadvantaged Zimbabweans

#03

Economic Contribution

Our ability to deliver consistent performance is essential to our ability to add value to the stakeholders who support and depend on our business. Because of this, it is crucial for us to generate sustainable revenues.

The value we produce afterwards supports our tax payments, supplier relationships, employment opportunities, and community investments. Our dedication to sustainability helps the Group expand while reducing the negative effects of our activities. The investments we make in our business help the economy and the development of the whole country. Our assistance is essential in promoting regional growth and ensuring the survival of the local communities.

Economic value generated and distributed

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

Tax management

In each of the jurisdictions where we conduct business, taxes are a substantial source of government revenue. Simbisa Brands is aware that by abiding by the law and paying taxes on time, we directly support the growth of the countries we operate. We also recognise how closely the development of the many jurisdictions in which we pay taxes is related to the long-term success of the business.

Stakeholder engagement on tax

We regularly interact with stakeholders through a variety of methods, depending on the stakeholder, to fully understand their tax-related challenges. We engage various stakeholders and tax authorities through formal meetings. Additionally, we attend conferences and workshops hosted by tax authorities and experts in the countries we operate. We receive direct feedback on tax-related issues through tax audits and consultants. Before concluding important transactions, we also approach tax authorities to request approval on tax-related matters. The Group has strict transfer pricing guidelines that the various tax regulators have approved or are in the process of approving. During the reporting period, we engaged with the following stakeholders:

Stakeholder	Key concerns
Tax authorities	Transfer pricing: whether or not we are in compliance or current with all returns and payments.
Shareholders	The effectiveness of the tax strategy in ensuring that tax returns comply with legal requirements
Employees	Accurate PAYE computation and payment.
Customers	A good track record of tax compliance makes us a good corporate citizen and a pleasure for customers to associate with.

Tax planning

The Group has a tax strategy aimed to improve how we handle taxes and related issues through efficient tax planning. The tax strategy makes sure we comply with all tax law requirements. The timetable for ongoing communication with the tax authorities on compliance and other issues, with the aid of our internal tax resources, is a crucial component of the tax strategy. It also includes training accounting and tax employees. When necessary, the Group seeks the advice of outside attorneys and tax advisers.

Tax governance

The Group Finance Director and internal tax resources assist the Board, which is in charge of tax governance overall.

Board

The Board conducts at quarterly reviews of tax issues and, as needed, holds ad hoc discussions.

Group Finance Director

All tax-related issues are the responsibility of the Group Finance Director. The Group Finance Director may also hire outside tax advisors as necessary.

Internal Tax Resources

Responsible for:

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

Economic Contribution (continued)

The day-to-day operations of the business, commencing with the point of sale tills, include tax planning. We have implemented the following systems to evaluate the impact of taxes on the business:

- Monthly EXCO meetings involve discussions on tax-related issues.
- Quarterly reports to the Board of Directors and Audit Committee.
- A monthly review of tax returns by internal tax resources.
- Daily monitoring of the fiscal machines installed by the tax authorities in our shops.
- All agreements are examined for tax compliance by internal tax resources, the group legal officer, and, if necessary, external tax consultants.

	2022 ZWL mil	2021 ZWL mil	2020 ZWL mil
Zimbabwe	448.6	225.8	12.7
Mauritius	293.9	99.9	28.5
Kenya	245.5	36.4	11.2
Total Tax paid	**988.0**	**362.1**	**52.4**

Procurement

Procurement is a critical function that can directly impact the quality of the meals we sell, our brands and business reputation. In this regard, the business developed a Responsible Sourcing Policy to guide all procurements practices across markets. The policy will enable:

- Reducing supply chain risks,
- Quality supplier selection,
- Collaboration,
- Setting clear compliance expectations,
- Integrating responsible sourcing into buying practices,
- Monitoring supplier compliance and KPIs,
- Supplier screening,
- Creating equal playing field for suppliers,
- Honesty and integrity, and
- Managing stakeholder expectations and reporting.

Customer complaints, the frequency of meal faults, returns, and anomalies between actual inventory and the system allow us to track our procurement performance.

Financial Reports

Annexures

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, non-compliance with IAS 8, 'Accounting Policies, Changes in Accounting Estimates and Errors' and non compliance with IAS 40, 'Investment Properties'; 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 2022, which appear on pages 80 to 155 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
26 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 2022.

Group Results

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 ZWL'000	**30 June 2021 ZWL'000**	**30 June 2022 ZWL'000**	**30 June 2021 ZWL'000**
Profit before tax	13 958 550	5 447 706	10 883 030	2 066 687
Tax	(4 473 119)	184 468	(2 530 004)	181 703
Profit for the year	9 485 431	5 632 174	8 353 026	2 248 390
Non-controlling interests	98 534	(30 199)	76 298	(13 193)
Profit for the year attributable to equity holders of the parent	9 583 965	5 601 975	8 429 324	2 235 197

Dividends

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

	HISTORICAL COST	
	Dividend per share	**Dividend paid or Payable**
Interim dividend (ZWL cents)	134.00	06 April 2022
Final dividend (USD cents)	0.58	19 October 2022

Report of the Directors (continued)

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

	30 June 2022 Number of Shares	30 June 2021 Number of Shares
At the beginning of the year	562 184 788	562 184 788
At the end of the year	**562 184 788**	**562 184 788**

Simbisa Brands Share Option Scheme
There were no share options granted during the year. Details of share options which lapsed during the prior year are disclosed in note 23.3.

Directors and their Interests
In terms of the Company's Articles of Association, Mrs. J. Hussein and Mr. A.B.C. Chinake 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 47 316 094 (ZWL 98 044 824 inflation adjusted) in respect of the financial year ended 30 June 2022.

Auditors
Members will be asked to approve the remuneration of ZWL 89 448 649 (ZWL 135 654 451 inflation adjusted) of the auditors for the financial year ended 30 June 2022 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
26 September 2022

PROMETHEUS CORPORATE SERVICES
Company Secretary

Company Secretary's Certification

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

PROMETHEUS CORPORATE SERVICES
Company Secretary
Harare
26 September 2022

EY
Building a better working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
Angwa City
Cnr Julius Nyerere Way /
Kwame Nkrumah Avenue
P O Box 62 or 702
Harare
Zimbabwe

Tel: +263 24 2750905-14 or 2750979-83
Fax: +263 24 2750707 or 2773842
Email: admin@zw.ey.com
www.ey.com

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 consolidated inflation adjusted financial statements of Simbisa Brands Limited and its subsidiaries (the Group) as set out on pages 80 to 152 which comprise the Consolidated inflation adjusted Statement of Financial Position as at 30 June 2022, the Inflation Adjusted Consolidated Statement of Comprehensive Income, Consolidated inflation adjusted Statement of Changes in Equity and Consolidated inflation adjusted Statement of Cash Flows for the year then ended, and notes to the consolidated inflation adjusted 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 consolidated inflation adjusted annual financial statements do not present fairly the financial position of the Group as at 30 June 2022, and its financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) and the Companies and Other Business Entities Act (Chapter 24:31).

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: Historical Incorrect date of change in functional currency (Zimbabwean operations included in consolidated amounts)
As explained in **note 3 to the consolidated inflation adjusted** 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.

This matter has not been corrected through a restatement in terms of IAS 8, consequently, corresponding amounts for Property, plant and equipment, Deferred Taxation and Distributable reserves on the consolidated inflation adjusted Statement of Financial Position, corresponding Cost of sales, Depreciation and Taxation on the consolidated inflation adjusted Statement of Profit or loss and Other comprehensive income and corresponding working capital changes on the consolidated inflation adjusted Statement of Cashflows remain misstated. Our audit opinion is thus modified only in respect of the comparability of the current period's figures with the prior period figures.

Independent Auditor's Report (Continued)

Simbisa Brands Limited

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 consolidated inflation adjusted statement of comprehensive income and the Simbisa transaction-based exchange rate for the consolidated inflation adjusted statement of financial position balances, in our opinion the average auction rate should have been used for translation of transactions in the consolidated inflation adjusted statement of comprehensive income and the spot auction rate as at 30 June 2021 for balances in the consolidated inflation adjusted statement of financial position. Had the correct exchange rate been used, the following elements of the consolidated inflation adjusted statement of financial position relating to the Zimbabwean operations would have been materially different:

Financial Statement Line Item – SFP	Amount in Foreign Currency - USD	ZWL Equivalent (Client)	ZWL Equivalent (EY recalculated using Auction rate)	Impact
Financial Assets (current and non-current)	3 248 399	2 111 459 350	1 189 786 879	921 672 471
Cash and Bank	4 790 861	3 114 059 650	1 754 742 430	1 359 317 220
Trade and other payables	-5 701 666	-3 706 082 900	-2 088 341 794	-1 617 741 106
Trade and other receivables	1 325 814	861 779 100	485 604 170	376 174 930
Exchange gain or loss				1 039 423 514

Accordingly, exchange gains included in foreign exchange gains or losses on the consolidated inflation adjusted statement of profit or loss would have decreased by ZWL1 039 423 514. Consequently, taxation, distributable reserves, non-controlling interests and deferred tax liability on the consolidated inflation adjusted statement of financial position and working capital changes on the consolidated inflation adjusted statement of cashflows would have been materially impacted.

Our prior year opinion was modified for the same matter.

Matter 3: Valuation of investment properties (Zimbabwean operations)
Investment property stated as ZWL1 125 878 000

The investment properties were valued using USD denominated inputs and converted to ZWL at the transaction-based rate as described on Note 17 to the consolidated inflation adjusted financial statements. We believe that applying a conversion rate to a USD valuation to calculate ZWL property values may not be an accurate reflection of market dynamics, as risks associated with currency trading do not always reflect the risks associated with property trading. We however cannot quantify the misstatements as we are unable to determine the appropriate inputs.

The matter had a consequential impact on Fair Value adjustments and Taxation on the consolidated inflation adjusted statement of profit or loss and Distributable reserves on the consolidated inflation adjusted statement of financial position.

Independent Auditor's Report (Continued)

Simbisa Brands Limited

Matter 4: 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, Matter 2 and Matter 3 above. Had the correct base numbers been used, the above stated accounts would have been materially different. Consequently, the gain on monetary position of ZWL460 715 555 (2021: ZWL 663 059 987) on the consolidated inflation adjusted Statement of profit or loss and other comprehensive income are impacted.

Matter 5: Non-compliance with IAS 29 on inflation adjustment of costs of sales in current year (Zimbabwe operations)
In current year, management changed the method for inflation adjusting cost of sales from an indirect approach to a direct approach. Cost of sales is a calculation based on opening and closing inventory balances as well as the purchases during the period. In order to reflect the IAS 29 value of the inventory sold, each component of this calculation should be inflation adjusted separately and the calculation of cost of sales re-performed. Further, the change implemented by Management in current year results in an inconsistency in the method applied in current and prior year, therefore making comparability difficult. Had the Group applied the indirect approach consistent with prior year, the cost of sales for the year presented on the consolidated inflation adjusted statement of profit or loss would have increased by ZWL2 655 476 288, the gain on monetary position and the gross profit margin would have decreased by the same amount.

Matter 6: 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 consolidated inflation adjusted 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 consolidated inflation adjusted statement of financial position would have been would have been materially different:

Financial Statement Item	Amount in Foreign Currency (USD)	ZWL Equivalent (Client)	ZWL Equivalent (EY recalculated based on Auction rate)	Difference
Statement of Profit or loss and other comprehensive income				
Revenue	(89 093 305)	(21 857 738 478)	-11 050 361 455	(10 807 377 023)
Cost of sales	39 086 084	9 646 825 653	4 847 899 089	4 798 926 564
Net impact on gross profit	**(50 007 222)**	**(12 210 912 825)**	(6 202 462 366)	-6 008 450 460
Other trading income	-2 155 217	(653 673 906)	(267 314 416)	-386 359 490
Rent and variable costs	6 026 870	1 412 062 226	747 520 741	664 541 485
Staff and other overheads	26 724 189	6 588 056 115	3 314 636 794	3 273 419 321
Financial income	-5 639 590	(1 598 500 720)	(699 485 832)	(899 014 888)
Depreciation & Amortisation	8 052 167	1 981 427 935	998 721 009	(982 706 926)
Interest receivable	-5 001	(1 167 160)	(620 288)	(546 871)
Interest payable	4 063 326	1 022 381 198	503 979 682	518 401 515
Net impact on profit or loss before tax	**-12 940 477**	**(3 460 327 137)**	(1 605 024 676)	(1 855 302 461)
Taxation	2 229 544	**495 567 607**	276 533 341	219 034 266
Net impact on profit/loss after tax	**-10 710 933**	1 416 327 757	(1 328 491 334)	(1 636 268 195)
Minority Interest	87 685	46 780 676	10 875 632	21 284 982

Financial Statement Item	Amount in Foreign Currency (USD)	ZWL Equivalent (Client)	ZWL Equivalent (EY recalculated based on Auction rate)	Difference
Statement of Financial Position				
Net impact on equity	21 499 298	14 217 865 393	7 874 520 024	6 857 821 148
Net impact on equity attributable to owners				6 857 821 148
Deferred tax	965 638	627 664 535	353 684 138	(273 980 398)
Lease Liability	(20 986 708)	(13 641 360 512)	(7 686 801 715)	5 954 558 797
Loans – third party	5 133 524	3 336 790 915	1 880 256 013	1 456 534 902
Total Non-current Liabilities	**(21 046 839)**	**(14 490 755 403)**	**(7 708 798 193)**	**(6 267 481 431)**
PPE	33 628 988	21 858 842 303	12 317 245 775	9 541 596 528
Intangible assets	336 838	218 944 475	123 373 090	95 571 386
Right of use assets	21 342 441	13 872 586 702	7 817 068 149	6 055 518 553
Total non-current Assets	**55 308 267**	**36 864 492 943**	**20 257 687 014**	**16 606 805 929**
Inventory	2 753 992	1 790 094 530	1 008 700 918	781 393 613
Third party debtors	2 286 411	1 486 167 198	837 440 811	648 726 386
Cash balances	3 291 194	2 139 275 985	1 205 461 283	933 814 702
Total current assets	**8 331 596**	**5 415 537 713**	**3 051 603 012**	**2 363 934 701**
Bank overdraft	(1 679 364)	(1 091 586 739)	(615 098 547)	(476 488 191)
Third party creditors	-14 500 337	(9 285 706 646)	(5 311 019 587)	(3 974 687 059)
Lease Liability	(3 966 320)	(2 578 108 068)	(1 452 738 908)	(1 125 369 159)
Provisions	(525 329)	(341 463 566)	(192 411 410)	(149 052 156)
Taxation	(422 377)	(274 544 842)	(154 703 357)	(119 841 484)
Total current liabilities	**(21 093 727)**	**(13 571 409 860)**	**(7 725 971 810)**	**(5 845 438 050)**

Our opinion in the prior year was modified for the same matter and therefore our opinion is further modified for the comparability of the current year amounts with corresponding numbers.

The effects of the above departures from IFRS are material and pervasive to the consolidated inflation adjusted 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 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 consolidated inflation adjusted 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 consolidated 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 consolidated inflation adjusted financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated inflation adjusted 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, IAS 40- Investment Property in respect of the investment properties acquired during the year and also for the entirety of the foreign operations being consolidated. Consequently, IAS29 was applied on a misstated base. Further as described in the Basis for Qualified Adverse Opinion section above, we were unable to obtain sufficient appropriate evidence about the carrying amount of the company's investment property. Accordingly, we are unable to conclude whether or not the other information is materially misstated with respect to this matter.

Responsibilities of the Directors for the Consolidated inflation adjusted financial statements

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

In preparing the consolidated inflation adjusted financial statements, the directors are responsible for assessing the group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Consolidated inflation adjusted Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated inflation adjusted financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated inflation adjusted financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.

- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated inflation adjusted financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated inflation adjusted financial statements, including the disclosures, and whether the consolidated inflation adjusted financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated inflation adjusted 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.

Independent Auditor's Report (Continued)

Simbisa Brands Limited

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

26 September 2022

Group Statement of Profit or Loss and Other Comprehensive Income

for the year ended 30 June 2022

	Notes	INFLATION ADJUSTED 30 June 2022 Audited ZWL	INFLATION ADJUSTED 30 June 2021 Restated ZWL	HISTORICAL COST 30 June 2022 Unaudited ZWL	HISTORICAL COST 30 June 2021 Unaudited ZWL
Revenue from contracts with customers	8	72 915 724 690	41 453 626 743	51 691 931 638	17 068 037 632
Other income	9	789 680 431	357 805 461	735 343 856	301 815 843
Operating expenses	10	(67 940 784 230)	(37 651 319 503)	(46 721 428 996)	(14 910 136 943)
Operating profit before depreciation, amortisation and impairment		**5 764 620 891**	**4 160 112 701**	**5 705 846 498**	**2 459 716 532**
Foreign exchange and other gains	11	12 144 429 389	3 120 741 640	8 207 622 546	994 384 406
Increase in allowance for credit losses	22	(32 589 013)	(1 368 302)	(32 589 013)	(1 368 302)
Gain on monetary position		460 715 555	663 059 987	—	—
Fair value gain on investment properties	17	383 181 846	—	674 361 315	—
Derecognition of property, plant and equipment	15	(12 771 826)	—	(12 771 826)	—
Depreciation and amortisation	15, 16 & 19	(2 795 125 702)	(1 395 888 063)	(2 133 773 621)	(836 914 269)
Profit before interest and tax		**15 912 461 140**	**6 546 657 963**	**12 408 695 899**	**2 615 818 367**
Interest income	12	172 715 218	554 237 156	101 097 802	163 366 272
Interest expense	12	(2 126 626 639)	(1653 188 641)	(1626 763 598)	(712 497 156)
Profit before tax		**13 958 549 719**	**5 447 706 478**	**10 883 030 103**	**2 066 687 483**
Income tax (expense)/credit	13	(4 473 118 521)	184 467 619	(2 530 003 659)	181 703 156
Profit for the year		**9 485 431 198**	**5 632 174 097**	**8 353 026 444**	**2 248 390 639**
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		8 551 195 604	283 780 137	8 551 195 603	283 780 137
Other comprehensive income for the year, net of tax		**8 551 195 604**	**283 780 137**	**8 551 195 603**	**283 780 137**
Total comprehensive income for the year		**18 036 626 802**	**5 915 954 234**	**16 904 222 047**	**2 532 170 776**
Profit for the year attributable to:					
Equity holders of the parent		9 583 964 972	5 601 975 382	8 429 324 243	2 235 197 657
Non-controlling interests		(98 533 774)	30 198 715	(76 297 799)	13 192 982
		9 485 431 198	**5 632 174 097**	**8 353 026 444**	**2 248 390 639**
Total comprehensive income for the year attributable to:					
Equity holders of the parent		18 067 371 631	5 878 313 970	16 912 730 902	2 511 536 245
Non-controlling interests		(30 744 829)	37 640 264	(8 508 855)	20 634 531
		18 036 626 802	**5 915 954 234**	**16 904 222 047**	**2 532 170 776**
Earnings per share (cents)					
Basic earnings per share	7.6	1,704.77	996.47	1,499.39	397.59
Diluted basic earnings per share	7.6	1,704.77	996.47	1,499.39	397.59
Headline earnings per share	7.6	1,655.01	996.11	1,412.77	397.52
Diluted headline earnings per share	7.6	1,655.01	996.11	1,412.77	397.52

Group Statement of Financial Position

as at 30 June 2022

	Notes	INFLATION ADJUSTED 30 June 2022 Audited ZWL	INFLATION ADJUSTED 30 June 2021 Restated ZWL	HISTORICAL COST 30 June 2022 Unaudited ZWL	HISTORICAL COST 30 June 2021 Unaudited ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	15	31 424 636 591	10 230 284 300	24 319 904 945	3 823 249 049
Intangible assets	16	218 944 475	47 076 686	218 944 475	47 076 686
Investment properties	17	1 125 878 550	—	1 125 878 550	—
Right-of-use assets	19	15 720 890 034	4 071 905 112	14 268 863 412	3 006 164 738
Deferred tax assets	25.2	913 016 213	121 737 951	2 246 534 355	771 223 024
		49 403 365 863	**14 471 004 049**	**42 180 125 737**	**7 647 713 497**
Current assets					
Financial assets - current	26.1	6 210 060 801	1 557 254 415	6 210 060 801	534 106 392
Inventories	21	4 650 336 771	1 944 417 215	4 649 718 584	851 718 055
Trade and other receivables	22	4 086 107 184	2 480 015 117	4 080 425 912	1 056 524 645
Cash and cash equivalents	14.2	6 089 647 477	3 405 179 937	6 089 647 477	1 391 849 079
		21 036 152 233	**9 386 866 684**	**21 029 852 774**	**3 834 198 171**
Total assets		**70 439 518 096**	**23 857 870 733**	**63 209 978 511**	**11 481 911 668**
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital and share premium	23.2	1 582 850 210	1 582 850 210	18 178 323	18 178 323
Other reserves	24	9 281 563 207	795 577 350	9 384 210 658	898 223 283
Distributable reserves		15 000 941 291	7 699 691 496	9 406 205 674	2 244 017 040
Attributable to equity holders of the parent		**25 865 354 708**	**10 078 119 056**	**18 808 594 655**	**3 160 418 646**
Non-controlling interests		(150 437 607)	85 619 370	(50 722 834)	29 014 125
Total equity		**25 714 917 101**	**10 163 738 426**	**18 757 871 821**	**3 189 432 771**
Non-current liabilities					
Deferred tax liabilities	25.2	439 196 422	765 129 203	166 702 117	3 497 553
Borrowings - long term portion	26.2	982 643 578	207 336 385	982 643 578	207 336 385
Lease liability	19	13 765 272 682	2 876 991 918	13 765 272 682	2 725 090 376
		15 187 112 682	**3 849 457 506**	**14 914 618 377**	**2 935 924 314**
Current liabilities					
Borrowings - short term portion	26.2	3 934 773 415	4 060 269 234	3 934 773 415	1 773 780 032
Lease liability	19	2 713 731 266	599 532 318	2 713 731 266	482 126 174
Trade and other payables	27	20 277 408 632	4 434 769 165	20 277 408 632	2 844 754 696
Current tax liabilities	13.3	2 611 575 000	750 104 084	2 611 575 000	255 893 681
		29 537 488 313	**9 844 674 801**	**29 537 488 313**	**5 356 554 583**
Total liabilities		**44 724 600 995**	**13 694 132 307**	**44 452 106 690**	**8 292 478 897**
Total equity and liabilities		**70 439 518 096**	**23 857 870 733**	**63 209 978 511**	**11 481 911 668**

BASIL DIONISIO
Executive Director
Harare
26 September 2022

BALDWIN GUCHU
Executive Director

Group Statement of Changes in Equity

for the year ended 30 June 2022

		Attributable to Equity Holders of the Parent					
INFLATION ADJUSTED	**Notes**	**Ordinary Share Capital 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 2021		**1 582 850 210**	**795 577 350**	**7 699 691 496**	**10 078 119 056**	**85 619 370**	**10 163 738 426**
Profit for the year		—	—	9 583 964 972	9 583 964 972	(98 533 774)	9 485 431 198
Other comprehensive income for the year		—	8 483 406 659	—	8 483 406 659	67 788 945	8 551 195 604
Total comprehensive income for the year		—	8 483 406 659	9 583 964 972	18 067 371 631	(30 744 829)	18 036 626 802
Establishment of subsidiary	18.2	—	—	—	—	130 538 514	130 538 514
Transactions with owners	18.2	—	—	(77 262 837)	(77 262 837)	155 875	(77 106 962)
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	18.3	—	2 580 720	—	2 580 720	—	2 580 720
Other movements		—	(1 522)	(145 388)	(146 910)	—	(146 910)
Dividends		—	—	(2 205 306 952)	(2 205 306 952)	(336 006 537)	(2 541 313 489)
Balance at 30 June 2022		**1 582 850 210**	**9 281 563 207**	**15 000 941 291**	**25 865 354 708**	**(150 437 607)**	**25 714 917 101**
Balance at 1 July 2020		**1 582 850 210**	**675 821 330**	**3 283 975 522**	**5 542 647 062**	**49 018 508**	**5 591 665 570**
Profit for the year		—	—	5 601 975 382	5 601 975 382	30 198 715	5 632 174 097
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	5 601 975 382	5 878 313 970	37 640 264	5 915 954 234
Acquisition of subsidiary	18.4	—	—	—	—	13 319 098	13 319 098
Purchase of treasury shares	24	—	(65 566 554)	—	(65 566 554)	—	(65 566 554)
Share options lapsed during the year	24	—	(91 016 014)	91 016 014	—	—	—
Change in Tax Rate - Simbisa Brands Kenya Limited		—	—	1 567 437	1 567 437	—	1 567 437
Dividends		—	—	(1 278 842 859)	(1 278 842 859)	(14 358 500)	(1 293 201 359)
Balance at 30 June 2021		**1 582 850 210**	**795 577 350**	**7 699 691 496**	**10 078 119 056**	**85 619 370**	**10 163 738 426**

HISTORICAL COST	**Notes**	**Ordinary Share Capital 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 2021		**18 178 323**	**898 223 283**	**2 244 017 040**	**3 160 418 646**	**29 014 125**	**3 189 432 771**
Profit for the year		—	—	8 429 324 243	8 429 324 243	(76 297 799)	8 353 026 444
Other comprehensive income for the year		—	8 483 406 659	—	8 483 406 659	67 788 944	8 551 195 603
Total comprehensive income for the year		—	8 483 406 659	8 429 324 243	16 912 730 902	(8 508 855)	16 904 222 047
Establishment of subsidiary	18.2	—	—	—	—	108 302 543	108 302 543
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	18.3	—	2 580 716	—	2 580 716	—	2 580 716
Transactions with owners	18.2	—	—	(77 262 837)	(77 262 837)	155 875	(77 106 962)
Dividends		—	—	(1 189 872 772)	(1 189 872 772)	(179 686 522)	(1 369 559 294)
Balance at 30 June 2022		**18 178 323**	**9 384 210 658**	**9 406 205 674**	**18 808 594 655**	**(50 722 834)**	**18 757 871 821**
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	18.4	—	—	—	—	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**

Group Statement of Cash Flows

for the year ended 30 June 2022

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	30 June 2022 Audited ZWL	30 June 2021 Restated ZWL	30 June 2022 Unaudited ZWL	30 June 2021 Unaudited ZWL
Cash generated from operations	14.1	21 725 793 121	4 915 786 586	15 010 543 161	3 286 387 715
Interest received		208 698 446	554 237 156	101 385 198	166 143 447
Interest paid		(2 274 759 440)	(1 653 188 641)	(1 626 763 597)	(712 497 367)
Income tax paid	13.3	(1 468 934 212)	(931 042 788)	(988 023 527)	(362 116 087)
Net cash flow from operating activities		18 190 797 915	2 885 792 313	12 497 141 235	2 377 917 708
Investing activities					
Additions to property plant and equipment - expansion	15	(5 591 767 633)	(1 712 173 129)	(4 652 933 806)	(1 027 622 974)
Additions to property plant and equipment - maintenance	15	(670 953 282)	(600 933 659)	(323 799 741)	(151 518 108)
Proceeds on disposal of property, plant and equipment		40 067 310	2 813 038	22 935 749	680 716
Disposal of subsidiary - Simbisa Brands Namibia Limited	18.3	(4 131 944)	—	(4 131 944)	—
Investment in financial assets		(11 724 934 337)	(1 561 416 239)	(5 565 318 529)	(443 667 956)
Purchase of subsidiary - Sunrise Children (Private) Limited	17, 18.1	(257 935 352)	—	(105 335 282)	—
Purchase of investment properties	17	(484 761 352)	—	(346 181 953)	—
Cash from acquisition of subsidiary	18.4	—	3 663 388	—	3 663 388
Net cash outflow from investing activities		**(18 694 416 590)**	**(3 868 046 601)**	**(10 974 765 506)**	**(1 618 464 934)**
Financing activities					
Dividends paid by holding company		(2 205 306 952)	(1 278 842 859)	(1 189 872 772)	(397 074 679)
Dividends paid by subsidiaries to non-controlling interests		(336 006 537)	(14 358 500)	(179 686 522)	(10 106 620)
Proceeds from borrowings	26.2.1	4 151 099 925	3 882 490 078	2 319 073 749	1 414 451 221
Repayments of borrowings	26.2.1	(5 061 080 229)	(1 005 664 096)	(942 595 155)	(822 577 551)
Lease liabilities principal repayment		(834 914 517)	(426 430 620)	(751 120 806)	(397 899 763)
Purchases of Treasury shares	24	—	(65 566 554)	—	(18 222 495)
Payments on acquisition of non-controlling interests	18.2	(77 106 962)	—	(77 106 962)	—
Other financing activities		—	(3 087 522)	—	(108 014)
Net cash (outflow)/inflow from financing activities		**(4 363 315 272)**	**1 088 539 927**	**(821 308 466)**	**(231 537 901)**
Net(decrease)/ increase in cash and cash equivalents		(4 866 933 947)	106 285 639	701 067 263	527 914 873
Effects of IAS 29 inflation adjustment on cash flow items		788 348 015	(911 565 579)	—	—
Effects of currency translation on cash and cash equivalents		6 763 053 472	49 466 856	3 996 731 135	49 466 856
Cash and cash equivalents at beginning of the year		3 405 179 937	4 160 993 021	1 391 849 079	814 467 350
Cash and cash equivalents at the end of the year	14.2	**6 089 647 477**	**3 405 179 937**	**6 089 647 477**	**1 391 849 079**

Notes to the Consolidated Financial Statements

for the year ended 30 June 2022

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 2022 were authorised for issue in accordance with a resolution of the directors on 26 September 2022.

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 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'; non-compliance with IAS 8, 'Accounting Polices, Changes in Accounting Estimates and Errors' as well as non-compliance with IAS 40, 'Investment Properties', and have been applied consistently in all material respects with those of the previous 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 not rounded.

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 2022

There have been no additional currency developments during the six months ended 30 June 2022.

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 ("RBZ") weekly Foreign Currency Auction System ("Auction Rate") up to 30 April 2022 and the "Willing Buyer Willing Seller" rate from then until year end. During the later part of the financial year, the RBZ introduced a system where financial institutions are allowed to buy and sell foreign currency to the public, at a rate that is within 10% of the prevailing auction rate. Subsequently, businesses were allowed to price their products based on this "Willing-buyer Willing-seller" exchange rate. The Group 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 2022

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/'Wiling-buyer Willing-seller' 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. The Willing-buyer Willing-seller rate obtains from a market where the Group cannot participate;
2. The Auction system does not offer immediate delivery of foreign currency transactions occurring on the platform. It has been made public by the Reserve Bank of Zimbabwe that auction transactions remain unsettled for lengthy periods, exceeding 12 weeks in some cases. The Directors do not believe that Simbisa would, in the event that it could participate in the auction, be prioritised ahead of other bidders and get immediate settlement of the foreign currency; and
3. 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 (market) 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 final dividend of USD 0.58 cents per share, in addition to the ZWL 380 cents interim 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)		
	At transactions-based rate	At auction rate	Impact (decrease)/ increase
Income Statement			
Operating Profit	5,732.0	3,663.1	(2,068.9)
Net profit attributable to shareholders	9,584.0	6,241.5	(3,342.5)
Basic Earnings per share – ZWL Cents	1,704.77	1,110.20	(594.57)
Balance Sheet			
Total assets	70,439.5	48,026.4	(22,413.1)
Total liabilities	44,724.6	29,856.3	(14,868.3)
Net debt	15,306.8	7,999.6	(7,307.2)
Total equity	25,714.9	18,170.1	(7,544.8)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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 period ended 30 June 2021 (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 2022;
- Monetary assets and liabilities as at 30 June 2022 are not restated as they are already stated in terms of the measuring unit current at the reporting date;
- Property 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;
- 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 2022;
- 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 related 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 2022

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 2022	8,707.4	1.00
As at 30 June 2021	2,986.4	2.92
As at 30 June 2020	1,445.2	6.02
Average CPI – 12 Months to 30 June 2022	4,600.5	2.07
Average CPI – 12 Months to 30 June 2021	2,514.2	3.52

Regional Entities

The Group's foreign subsidiaries, all of which operate in non-hyperinflationary economies, have been translated to the presentation currency (ZWL) in line with the principles of IAS 21. These results, current and prior year, have therefore not been restated in accordance 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 2022. 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 2022

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

Several other amendments and interpretations apply for the first time in the financial year ended 30 June 2022, but do not have an impact on the consolidated financial statements of the Group. The Group has not early adopted any standards, interpretations or amendments that have been issued but are not yet effective.

Impact of the initial application of COVID-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)

Effective 1 June 2020, IFRS 16 was amended to provide a practical expedient for lessees accounting for rent concessions that arise as a direct consequence of the COVID-19 pandemic and satisfy the following criteria:

a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change;
b) The reduction in lease payments affects only payments originally due on or before 30 June 2021; and
c) There is no substantive change to other terms and conditions of the lease.

Rent concessions that satisfy these criteria may be accounted for in accordance with the practical expedient, which means the lessee does not assess whether the rent concession meets the definition of a lease modification. Lessees apply other requirements in IFRS 16 in accounting for the concession.

The Group did not receive any COVID-19 related concessions in the financial year hence this amendment had no impact on the Group financial statements.

4.2 New and revised standards in issue but not yet effective that are relevant to the Group

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Group has decided not to adopt early. These amendments are effective for the periods beginning on or after 1 January 2022.

Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37)

a) Following the withdrawal of previous revenue standards (IAS 11, IAS 18), entities are required to apply IAS 37 instead of a revenue standard to assess whether contracts are onerous since IFRS 15 does not regulate this matter.
b) Previously IAS 11 specified which costs to include, but IAS 37 did not.
c) The amendment requires that all costs that relate directly to the contract, and not only incremental costs be included in calculating the provision.

The Group does not see this standard having an impact on its financial statements when it becomes effective.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

4. Changes in accounting policy and disclosures (continued)

4.2 New and revised standards in issue but not yet effective that are relevant to the Group (continued)

Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)

a) The amendments prohibit deduction of proceeds from selling items produced before intended use (activation) of PPE from the cost of PPE.
b) Clarification of what is "testing".
c) Specific guidance for measurement of cost of sold items from testing is not provided (IAS 2 applies).
d) New disclosure requirement that if not presented separately in the Statement of Comprehensive Income, the financial statements shall also disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost.

The Group does not see this standard having an impact on its financial statements when it becomes effective.

References to Conceptual Framework (Amendments to IFRS 3)

IFRS 3:11 amended to refer to the – 2018 version of the Conceptual Framework for Financial Reporting. IFRS 3 has also been amended in respect of the specific requirements for transactions and other events within the scope of IAS 37 or IFRIC 21:

a) For a provision or contingent liability that would be within the scope of IAS 37, the acquirer shall apply IAS 37 to determine whether at the acquisition date a present obligation exists as a result of past events.
b) For a levy that would be within the scope of IFRIC 21, the acquirer shall apply IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred at the acquisition date.
c) The acquirer shall not recognise a contingent asset at the acquisition date.

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

a) The amendments require that an entity discloses its material accounting policies, instead of its significant accounting policies.
b) Further amendments explain how an entity can identify a material accounting policy.
c) Examples of when an accounting policy is likely to be material are added.
d) To support the amendment, the Board has also developed guidance and examples to explain and demonstrate the application of the 'four-step materiality process' described in IFRS Practice Statement 2.

The Group is still assessing the full impact this standard on its financial statements when it becomes effective.

Classification of Liabilities as Current or Non-current — Deferral of Effective Date (Amendment to IAS 1)

a) In January 2020, the IASB issued amendments to IAS 1, which clarify the criteria used to determine whether liabilities are classified as current or non-current.
b) The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.
c) These amendments clarify that current or non-current classification is based on whether an entity has a right at the end of the reporting period to defer settlement of the liability for at least twelve months after the reporting period.
d) The amendments also clarify that 'settlement' includes the transfer of cash, goods, services, or equity instruments unless the obligation to transfer equity instruments arises from a conversion feature classified as an equity instrument separately from the liability component of a compound financial instrument.
e) The amendments were originally effective for annual reporting periods beginning on or after 1 January 2022. However, in May 2020, the effective date was deferred to annual reporting periods beginning on or after 1 January 2023.

The Group does not see this standard having an impact on its financial statements when it becomes effective.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

4. Changes in accounting policy and disclosures (continued)

4.2 New and revised standards in issue but not yet effective that are relevant to the Group (continued)

Definition of Accounting Estimates (Amendments to IAS 8)

a) The amendments replace the definition of a change in accounting estimates with a definition of accounting estimates.
b) Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty".
c) Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty.
d) The amendments clarify that a change in accounting estimate that results from new information or new developments is not the correction of an error.

The Group is still assessing the full impact this standard on its financial statements when it becomes effective.

Deferred Tax Related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)

The amendments clarify that the initial recognition exemption does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise on initial recognition.

The Group is still assessing the full impact this standard on its financial statements when it becomes effective.

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

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 2022 (for example, a rent concession would meet this condition if it results in reduced lease payments before 30 June 2022 and increased lease payments that extend beyond 30 June 2022).
- There is no substantive change to other terms and conditions of the lease.

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.

4.3 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 consolidated inflation adjusted financial statements which are relevant the Group.

4.4 Annual Improvements

There are no annual improvements 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

a. Business combinations and Goodwill (continued)

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.

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:

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

b. Revenue and other income recognition (continued)

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). Royalty income is therefore earned and recognised at a point in time, that is when the sales occur.

Other income

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

Interest income

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

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.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

c. Taxes (continued)

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). The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Group's best estimate of the number of equity instruments that will ultimately vest. The expense or credit in the statement of profit or loss for a period represents the movement in cumulative expense recognised as at the beginning and end of that period.

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

f. Share based payments

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

f. Share based payments (continued)

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 2022.

g. Leases

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

Group as a lessee

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

i) Right-of-use assets

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

ii) Lease liabilities

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

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

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

g. Leases (continued)

Group as a lessee (continued)

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

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

h. Foreign currency translation

The Group's consolidated inflation adjusted 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).

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

g. Foreign currency translation (continued)

Transactions and balances (continued)

Zimbabwean Entities (continued)

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).

h. Foreign currency translation

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.

i. 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

i. Property, plant and equipment (continued)

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

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

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

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

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 2022

5. Summary of significant accounting policies (continued)

k. Investment properties

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

Investment properties are derecognised either when they have been disposed of (i.e., at the date the recipient obtains control) or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition. In determining the amount of consideration from the derecognition of investment property the Group considers the effects of variable consideration, existence of a significant financing component, non-cash consideration, and consideration payable to the buyer (if any).

Transfers are made to (or from) investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

l. Impairment of non-financial assets

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

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

m. Cash and cash equivalents

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

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

n. Financial Instruments

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

(i) Financial assets

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

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

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

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

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

n. Financial Instruments (continued)

(i) Financial assets (continued)

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.

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

n. Financial Instruments (continued)

(i) Financial assets (continued)

General "3-stage" approach (continued)

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 2022	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%	27.56%	25.35%	
	ZWL	ZWL	ZWL	ZWL	ZWL
Estimated total gross carrying amount at default	2 217 781 116	342 183 728	318 484 426	320 561 448	**3 199 010 718**
Expected credit loss	—	—	87 771 006	81 250 000	**169 021 006**

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	457 227 723	(92 225 838)	221 055 004	129 779 289	**681 865 929**
Expected credit loss	—	—	770 980	18 729 085	**19 500 065**

Historical cost

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**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

n. Financial Instruments (continued)

(i) Financial liabilities

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

Loans and borrowings

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

Offsetting of financial instruments

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

o. Inventories

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

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

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

p. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

q. Treasury shares

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

r. Operating Segments

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

s. Headline Earnings

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

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

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

t. Current versus non-current classification

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

An asset is classified as current when it is:

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

All other assets are classified as non-current.

A liability is current when:

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

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

u. Fair value measurement

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

u. Fair value measurement (continued)

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

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

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

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

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

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

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
- **Level 1** — Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
- **Level 2** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable; and
- **Level 3** — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

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

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

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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

5. Summary of significant accounting policies (continued)

u. Fair value measurement (continued)

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

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

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

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

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

- Disclosures for valuation methods, significant estimates and assumptions Notes 3, 6c, and 17.
- Quantitative disclosures of fair value measurement hierarchy Note 17.
- Investment properties Note 17.
- Financial instruments (including those carried at amortised cost) Note 26.1.

6. Significant accounting judgements, estimates and assumptions

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

Estimates and assumptions

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

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 announcement 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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

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

c. Fair value of investment properties

The Group carries its investment properties at fair value, with changes in fair value being recognised in the statement of profit or loss. For investment properties, a valuation methodology based on market value model was used, as comparable market data was available for commercial properties within the Avondale (Harare, Zimbabwe) area. The commercial properties were valued by reference to transactions involving properties of a similar nature, location and condition. The Group engaged an independent valuation specialist, Pam Golding Property Valuers, to assess fair values as at 30 June 2022 for the investment properties.

The key assumptions used to determine the fair value of the properties are provided in Note 17.

d. Recoverability of Deferred tax assets

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

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

In addition, future changes in tax laws in the jurisdictions in which the Group operates could limit the ability of the Group to obtain tax deductions in the future periods. Refer to note 25 for more information on the deferred tax assets.

e. Impairment of non-financial assets

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

f. Provision for obsolete stock

Provision for obsolete stock is an allowance created for possible inventory write offs due to the nature of inventory which is mostly perishable items which are susceptible to obsolescence. Management is required to exercise judgement in determining the amount of the provision of obsolete stock. The allowance is determined at store level by assessing the likelihood of stock write offs based on stock movement historical experience. Refer to note 21.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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

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

The allowance for credit losses on trade receivables, other receivables and non-current financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group's history and existing market conditions, as well as forward-looking estimates at the end of each reporting period. Details of the key assumptions and inputs are disclosed in note 30 (credit risk disclosure).

h. Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which depends on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option or appreciation right, volatility and dividend yield and making assumptions about them. The Group measures the fair value of equity-settled transactions with employees at the grant date using a binomial model. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in note 23.3.

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

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

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

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

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.

k. 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 2022

7. Earnings per share

7.1 Basic Earnings basis

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

7.2 Diluted Earnings basis

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

7.3 Headline Earnings basis

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

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 2022 Audited ZWL	30 June 2021 Restated ZWL	30 June 2022 Unaudited ZWL	30 June 2021 Unaudited ZWL
7.4 Basic and Diluted Earnings				
Profit attributable to equity holders of the parent (basic and diluted earnings)	9 583 964 972	5 601 975 382	8 429 324 243	2 235 197 657
	Number of shares	Number of shares	Number of shares	Number of shares
7.5 Number of shares for Basic and Diluted Earnings Per Share				
Weighted average number of ordinary shares in issue for basic EPS	562 184 788	562 184 788	562 184 788	562 184 788
Weighted average number of ordinary shares in issue adjusted for effect of dilution	562 184 788	562 184 788	562 184 788	562 184 788
* The weighted average number of shares takes into account the weighted average effect of new shares issued during the year.				
7.6 Reconciliation of Basic Earnings to Headline Earnings:				
Profit for the year attributable to equity holders of the parent	9 583 964 972	5 601 975 382	8 429 324 243	2 235 197 657
Adjustments (gross of tax):				
Loss on disposal of subsidiary	2 995 557	—	2 995 557	—
(Profit)/loss on disposal of property, plant and equipment	(4 171 686)	(2 625 421)	11 729 059	(538 271)
Derecognition of plant and equipment	12 771 826	—	12 771 826	—
Fair value adjustments to investment properties	(383 181 846)	—	(674 361 315)	—
Tax effect on adjustments	91 856 096	649 004	159 904 997	133 061
Headline earnings attributable to equity holders of the parent	9 304 234 919	5 599 998 965	7 942 364 367	2 234 792 447

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	30 June 2022 Audited ZWL cents	30 June 2021 Restated ZWL cents	30 June 2022 Unaudited ZWL cents	30 June 2021 Unaudited ZWL cents
7. Earnings per share (continued)				
7.6 Reconciliation of Basic Earnings to Headline Earnings: (continued)				
Basic earnings per share	1,704.77	996.47	1,499.39	397.59
Diluted basic earnings per share	1,704.77	996.47	1,499.39	397.59
Headline earnings per share	1,655.01	996.11	1,412.77	397.52
Diluted headline earnings per share	1,655.01	996.11	1,412.77	397.52

At 30 June 2022, there were no share options outstanding (2021: Nil) arising from the 2016 Simbisa Brands Share Option Scheme.

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

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

8. Revenue from contracts with customers

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

Disaggregated revenue information

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
Nature of revenue				
Sale of goods	72 292 343 551	41 273 626 143	51 068 550 499	16 888 037 032
Royalty and franchise revenue	623 381 139	180 000 600	623 381 139	180 000 600
	72 915 724 690	**41 453 626 743**	**51 691 931 638**	**17 068 037 632**
Segments				
Zimbabwe	51 057 986 212	34 482 396 685	29 834 193 160	10 096 807 575
Region	21 857 738 478	6 971 230 058	21 857 738 478	6 971 230 057
	72 915 724 690	**41 453 626 743**	**51 691 931 638**	**17 068 037 632**
Timing of revenue recognition				
Goods transferred at a point in time	72 292 343 551	41 273 626 143	51 068 550 499	16 888 037 032
Services transferred over time	623 381 139	180 000 600	623 381 139	180 000 600
	72 915 724 690	**41 453 626 743**	**51 691 931 638**	**17 068 037 632**

Refer to note 22 for contract balances (trade receivables).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
9. Other income				
Sundry income*	786 093 211	312 994 640	731 756 637	259 219 083
Rebates	1 510 629	38 636 366	1 510 629	38 636 366
Rent concessions	2 076 590	3 080 592	2 076 590	3 080 592
Fee Income	—	3 093 863	—	879 802
	789 680 431	**357 805 461**	**735 343 856**	**301 815 843**

* Sundry income mainly includes sale of scrap and outside catering services

10. Operating expenses				
Raw materials and consumables used	38 150 308 544	23 016 864 179	26 016 477 375	8 721 409 518
Staff costs	14 669 582 310	6 846 078 606	10 554 945 321	2 995 407 319
Audit fees and expenses (note 10.1)	135 654 451	94 957 945	89 448 649	40 856 864
Short term lease expense	5 583 730	422 129	3 157 690	467 491
Variable lease payments	2 864 327 872	876 376 414	1 724 497 712	610 871 654
Electricity, Water and other utility costs	2 001 827 998	1 306 638 659	1 580 508 759	527 902 789
Repairs and maintenance	1 355 874 013	404 102 186	863 090 843	323 658 784
Fuel	470 921 691	251 057 804	308 974 012	77 959 096
Advertising and marketing	1 808 095 802	903 808 702	1 273 929 691	360 456 883
Security	554 248 807	66 602 116	313 436 709	61 887 494
Insurance and licenses	647 225 399	232 320 996	410 304 528	148 123 117
Royalty	281 924 373	360 620 996	298 702 866	44 734 022
Bank Charges	975 373 301	337 559 174	613 770 932	210 077 635
Cleaning	845 714 319	259 595 082	543 462 227	198 163 566
Consultancy costs	499 829 341	53 942 821	282 661 616	43 971 989
Printing and Stationery	306 934 978	146 473 903	210 591 118	73 868 616
Communication costs	91 097 395	22 552 999	56 030 113	22 921 102
Travel and Accommodation	327 352 102	59 543 365	198 326 174	44 953 735
Freight and Transport	1 096 624 055	488 358 928	793 267 492	239 866 954
Other operating expenses*	852 283 749	1 923 442 499	585 845 169	162 578 315
	67 940 784 230	**37 651 319 503**	**46 721 428 996**	**14 910 136 943**

* Other operating expenses mainly comprise of general administration costs.

10.1 Audit fees and expenses				
Current year	135 654 451	94 957 945	89 448 649	40 856 864
	135 654 451	**94 957 945**	**89 448 649**	**40 856 864**
10.2 Key management compensation				
Non-executive directors - fees	98 044 824	44 626 481	47 316 094	13 503 911
Key management remuneration	2 711 774 561	1 018 329 959	1 308 693 055	493 470 180
	2 809 819 385	**1 062 956 440**	**1 356 009 149**	**506 974 091**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
11. Foreign exchanges and other gains				
Exchange gains - realised	9 228 627 839	2 556 001 372	5 307 721 741	747 841 746
Exchange gains - unrealised	2 911 629 864	562 114 847	2 911 629 864	246 004 389
Profit on disposal of property plant and equipment	4 171 686	2 625 421	(11 729 059)	538 271
	12 144 429 389	**3 120 741 640**	**8 207 622 546**	**994 384 406**
12. Interest income and expense				
Interest income				
- Short-term bank deposits and other financial assets	172 715 218	554 237 156	101 097 802	163 366 272
Interest expense				
- Borrowings	(1 152 641 238)	(1 359 734 263)	(745 804 279)	(453 799 992)
- Lease liabilities	(973 985 401)	(293 454 378)	(880 959 319)	(258 697 164)
	(2 126 626 639)	**(1 653 188 641)**	**(1 626 763 598)**	**712 497 156)**
Net interest expense	**(1 953 911 421)**	**(1 098 951 485)**	**(1 525 665 796)**	**(549 130 884)**
13. Tax				
13.1 Income tax expense/(credit)				
Current income tax charge	4 946 576 752	1 776 556 822	2 829 414 624	565 726 220
Deferred tax credit	(473 458 231)	(1 961 024 441)	(299 410 965)	(747 429 376)
	4 473 118 521	**(184 467 619)**	**2 530 003 659**	**(181 703 156)**
13.2 Tax rate reconciliation	**%**	**%**	**%**	**%**
Zimbabwe statutory tax rate	24.72%	24.72%	24.72%	24.72%
Adjusted for:				
Effect of IAS 29	12.20%	-18.03%	—	—
Opening income tax values rebasing	—	-13.29%	—	-35.03%
Exempt income - monetary gain	0.82%	3.01%	—	—
Depreciation on assets that do not qualify for tax claims	0.03%	0.02%	0.04%	0.04%
Disallowable expenditure*	2.47%	0.81%	3.17%	2.13%
Tax losses for which deferred tax assets have not been recognised	-4.45%	0.06%	-5.71%	1.14%
Change in tax rate - Regional Operations	—	0.02%	—	0.06%
Foreign tax rates	-3.74%	-0.70%	-4.80%	-1.85%
Effective tax rate	32.05%	-3.39%	17.43%	-8.79%

* 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 2022

	Notes	INFLATION ADJUSTED Group 30 June 2022 Audited ZWL	INFLATION ADJUSTED Group 30 June 2021 Restated ZWL	HISTORICAL COST Group 30 June 2022 Unaudited ZWL	HISTORICAL COST Group 30 June 2021 Unaudited ZWL
13. Tax (continued)					
13.3 Movement in current income tax liabilities					
Current income tax liability (net) at the beginning of the year		750 104 084	348 252 020	255 893 681	55 737 836
Amounts charged to profit and loss	13.1	4 946 576 752	1 776 556 822	2 829 414 624	565 726 220
Effect of IAS 29		(2 130 461 846)	(440 207 682)	—	—
Foreign currency exchange movements		514 290 222	(3 454 288)	514 290 222	(3 454 288)
Tax paid		(1 468 934 212)	(931 042 788)	(988 023 527)	(362 116 087)
Current income tax (asset)/liability (net) at the end of the year		2 611 575 000	750 104 084	2 611 575 000	255 893 681
Net current income tax asset at 30 June is presented as below on the statement of financial position:					
- Current tax liability		2 611 575 000	750 104 084	2 611 575 000	255 893 681
		2 611 575 000	**750 104 084**	**2 611 575 000**	**255 893 681**
14. Cash flow information					
14.1 Cash generated from operations					
Profit before tax		13 958 549 719	5 447 706 478	10 883 030 103	2 066 687 483
Depreciation	15, 19	2 788 205 170	1 392 877 588	2 126 853 088	833 903 794
Derecognition of property, plant and equipment	15	12 771 826	—	12 771 826	—
Gain on monetary position		(460 715 555)	(663 059 987)	—	—
Profit on disposal of property, plant and equipment	11	(4 171 686)	(2 625 421)	11 729 059	(538 271)
Amortisation of intangible assets	16	6 920 532	3 010 475	6 920 532	3 010 475
Unrealised exchange gains	11	(2 911 629 864)	(562 114 847)	(2 911 629 864)	(246 004 389)
Fair value gain on investment properties	17	(383 181 846)	—	(674 361 315)	—
Interest income	12	(172 715 218)	(554 237 156)	(101 097 802)	(163 366 272)
Interest expense	12	2 126 626 639	1 653 188 641	1 626 763 598	712 497 156
Allowance for credit losses	22	32 589 013	1 368 302	32 589 013	1 368 302
Loss on disposal of subsidiary - Namibia	18.3	2 995 557	—	2 995 557	—
Leave pay provision		442 748 443	50 176 551	287 864 072	25 888 346
Other non cash movements		—	(127 714)	—	(1 551 149)
Cash generated before changes in working capital		**15 438 992 730**	**6 766 162 910**	**11 304 427 867**	**3 231 895 475**
Increase in inventories		(3 669 158 111)	(815 263 232)	(4 761 239 084)	(563 239 633)
Increase in receivables		(2 917 386 263)	(3 264 144 381)	(5 358 628 551)	(1 316 298 299)
Increase in payables		12 873 344 765	2 229 031 289	13 825 982 932	1 934 030 172
Cash generated from operations		**21 725 793 121**	**4 915 786 586**	**15 010 543 163**	**3 286 387 715**
14.2 Cash and cash Equivalents					
Cash at bank and on hand		6 089 647 477	3 405 179 937	6 089 647 477	1 391 849 079

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 2022

15. Property, plant and equipment

INFLATION ADJUSTED

30 June 2022	Freehold property ZWL	Leasehold improvements ZWL	Fittings & Equipment ZWL	Plant, Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2021	160 206 446	5 101 090 951	8 095 917 609	622 420 725	2 364 936 485	16 344 572 216
Additions	—	1 296 595 302	2 380 819 984	640 063 206	1 945 242 423	6 262 720 915
Disposals	—	(1 945 688)	(26 136 117)	(10 879 304)	—	(38 961 109)
Disposal of subsidiary	—	—	(14 342 998)	—	—	(14 342 998)
Derecognition	—	—	(36 358 896)	—	—	(36 358 896)
Transfers in/(out)	—	69 901 131	108 375 081	—	(185 290 943)	(7 014 731)
Exchange movements	—	8 039 398 545	17 012 914 934	366 229 265	1 193 542 570	26 612 085 314
At 30 June 2022	160 206 446	14 505 040 241	27 521 189 597	1 617 833 892	5 318 430 535	49 122 700 711
Depreciation						
At 1 July 2021	17 021 934	1 690 132 398	4 108 612 160	298 521 424	—	6 114 287 916
Disposals	—	(523 834)	(16 783 907)	(5 395 021)	—	(22 702 762)
Disposal of subsidiary	—	—	(3 193 175)	—	—	(3 193 175)
Charge for the year	4 005 161	353 686 976	1 108 888 017	92 717 651	—	1 559 297 805
Derecognition	—	—	(23 587 070)	—	—	(3 587 070)
Exchange movements	—	2 248 927 555	7 428 807 562	396 226 289	—	10 073 961 406
At 30 June 2022	21 027 095	4 292 223 095	12 602 743 587	782 070 343	—	17 698 064 120
Net carrying amount						
At 1 July 2021	143 184 512	3 410 958 553	3 987 305 449	323 899 301	2 364 936 485	10 230 284 300
At 30 June 2022	139 179 351	10 212 817 146	14 918 446 010	835 763 549	5 318 430 535	31 424 636 591

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

15. Property, plant and equipment (continued)

INFLATION ADJUSTED

30 June 2021	Freehold property ZWL	Leasehold improvements ZWL	Fittings & Equipment ZWL	Plant, Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2020	160 206 446	4 059 713 110	6 223 756 362	514 440 393	1 733 806 057	12 691 922 368
Additions	—	632 691 891	962 486 542	77 427 376	640 500 979	2 313 106 788
Acquisition of subsidiary	—	—	4 002 709	12 854 829	—	16 857 538
Disposals	—	(3 122 228)	(8 248 859)	(14 751 537)	—	(26 122 624)
Transfers in/(out)	—	28 449 992	21 461 951	(111 444)	(49 911 862)	(111 363)
Exchange movements	—	383 358 186	892 458 904	32 561 108	40 541 311	1 348 919 509
At 30 June 2021	160 206 446	5 101 090 951	8 095 917 609	622 420 725	2 364 936 485	16 344 572 216
Depreciation						
At 1 July 2020	13 016 774	1 354 542 850	3 108 292 376	227 619 122	—	4 703 471 122
Disposals	—	(2 638 290)	(7 344 979)	(15 494 676)	—	(25 477 945)
Charge for the year	4 005 160	213 117 181	604 554 157	60 359 838	—	882 036 336
Transfers in/(out)	—	—	—	(54 519)	—	(54 519)
Exchange movements	—	125 110 657	403 110 606	26 091 659	—	554 312 922
At 30 June 2021	17 021 934	1 690 132 398	4 108 612 160	298 521 424	—	6 114 287 916
Net carrying amount						
At 1 July 2020	147 189 672	2 705 170 260	3 115 463 986	286 821 270	1 733 806 057	7 988 451 246
At 30 June 2021	143 184 512	3 410 958 553	3 987 305 449	323 899 301	2 364 936 485	10 230 284 300

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

15. Property, plant and equipment (continued)

HISTORICAL COST

30 June 2022	Freehold property ZWL	Leasehold improvements ZWL	Fittings & Equipment ZWL	Plant, Motor vehicles ZWL	Work in* progress ZWL	Group Total ZWL
Cost						
At 1 July 2021	1 839 899	1 782 906 385	3 853 896 956	202 814 351	320 071 484	6 161 529 075
Additions	—	1 103 344 181	2 106 111 471	528 822 614	1 238 455 281	4 976 733 547
Disposals	—	(684 424)	(24 786 354)	(10 871 517)	—	(36 342 295)
Disposal of subsidiary	—	—	(14 342 998)	—	—	(14 342 998)
Derecognition	—	—	(36 358 896)	—	—	(36 358 896)
Transfers in/(out)	—	32 076 009	51 458 054	—	(86 126 436)	(2 592 373)
Exchange movements	—	8 039 398 545	17 012 914 934	366 229 265	1 193 542 570	26 612 085 314
At 30 June 2022	1 839 899	10 957 040 696	22 948 893 167	1 086 994 713	2 665 942 899	37 660 711 374
Depreciation						
At 1 July 2021	195 487	523 209 657	1 715 468 501	99 406 381	—	2 338 280 026
Disposals	—	(184 266)	(15 756 089)	(5 433 102)	—	(21 373 457)
Disposal of subsidiary	—	—	(3 193 175)	—	—	(3 193 175)
Charge for the year	45 997	185 484 630	748 048 212	43 139 835	—	976 718 674
Derecognition	—	—	(23 587 070)	—	—	(23 587 070)
Exchange movements	—	2 248 927 555	7 428 807 587	396 226 289	—	10 073 961 431
At 30 June 2022	241 484	2 957 437 576	9 849 787 966	533 339 403	—	13 340 806 429
Net carrying amount						
At 1 July 2021	1 644 412	1 259 696 728	2 138 428 455	103 407 970	320 071 484	3 823 249 049
At 30 June 2022	1 598 415	7 999 603 120	13 099 105 201	553 655 310	2 665 942 899	24 319 904 945

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

15. Property, plant and equipment (continued)

HISTORICAL COST

30 June 2021	Freehold property ZWL	Leasehold improvements ZWL	Fittings & Equipment ZWL	Plant, 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)	(14 613 750)	—	(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	202 814 351	320 071 484	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	103 407 970	320 071 484	3 823 249 049

Derecognition of items of property, plant and equipment - Mauritius Operations

The derecognition of property, plant and equipment charged to profit or loss relates to operating sites for closed shops. The market was restructured to become a predominatly Pizza Inn market, with 7 stores for Pizza Inn. Following the closure of the these stores leasehold improvements and plant, fittings and equipment for these sites could not be transferred to other sites within the Mauritius market. Therefore, management resolved to derecognise the assets. The fair value of these assets was determined to be ZWL Nil 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 2022

16. Intangible assets

INFLATION ADJUSTED AND HISTORICAL COST

30 June 2022	Goodwill on acquisition ZWL	Other ZWL	Group Total ZWL
Net carrying amount 1 July 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)
Amortisation	—	(6 920 532)	(6 920 532)
Exchange movements	134 401 202	44 387 119	178 788 321
Net carrying amount 30 June 2022	**166 741 323**	**52 203 152**	**218 944 475**
Gross carrying amount	166 741 323	62 720 491	229 461 814
Accumulated amortisation	—	(10 517 339)	(10 517 339)
30 June 2021			
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)

Goodwill

The Group performed its annual impairment tests as at 30 June 2022. Goodwill arising on acquisition of subsidiaries has been allocated to cash generating units, i.e. business units. As at 30 June 2022, goodwill relates to the Regional operating segment.

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

The pre-tax cash flows used in calculating value in use for the relevant cash generating units were based on:
(i) Past performance up to the year ended 30 June 2022;
(ii) Planned growth based on expansion capital expenditure for the forecast period, and any growth expected from existing operating capacity; and
(iii) An annual perpetual growth based on past experience, which assumes no further expansion capital expenditure.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

16. Intangible assets (continued)

Goodwill (continued)

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

(i) The cost of debt, based on the cash generating unit's existing banking facilities;
(ii) market cost of equity obtained from comparable listed entities within the cash generating unit's economy, including the risk free rate; and
(iii) The cash generating unit's capital structure.

Other intangible assets

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

Other intangible assets also include software.

17. Investment properties

	INFLATION ADJUSTED	HISTORICAL COST
	2022 ZWL	2022 ZWL
Opening carrying amount as at 1 July 2021	—	—
Acquired through purchase of subsidiary	257 935 352	105 335 282
Additions (subsequent expenditure)	484 761 352	346 181 953
Net gain from fair value measurement	383 181 846	674 361 315
Carrying amount as at 30 June 2022	**1 125 878 550**	**1 125 878 550**

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

The Group's investment properties consist of two commercial properties in Ruwa and Avondale (Harare). Management determined that the investment properties consists of only retail – based on the nature, characteristics and risks of the properties.

As at 30 June 2022 the fair value of the Avondale property was based on a valuation performed by Pam Golding Real Estate, an accredited independent valuer. Pam Golding Real Estate has experience in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuation Standards Committee has been applied.

The Ruwa investment property was acquired during June 2022, which was very close to the reporting date. Management believe that the USD purchase price of this property represents the fair value of the property as at 30 June 2022.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

17. Investment properties (continued)

	INFLATION ADJUSTED	HISTORICAL COST
	2022 ZWL	2022 ZWL
Rental income derived from investment properties	—	—
Direct operating expenses (including repairs and maintenance) generating rental income (included in cost of sales)	—	—
Direct operating expenses (including repairs and maintenance) that did not generate rental income (included in cost of sales)	—	—
Profit arising from investment properties carried at fair value	**—**	**—**

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

Reconciliation of fair value:

	INFLATION ADJUSTED	HISTORICAL COST
	2022 ZWL	2022 ZWL
Opening balance - 1 July 2021	—	—
Acquired through purchase of subsidiary	257 935 352	105 335 282
Remeasurement recognised in profit or loss	383 181 846	674 361 315
Purchases	484 761 352	346 181 953
Closing balance - 30 June 2022	**1 125 878 550**	**1 125 878 550**

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

Property	Property size	Valuation technique	Significant unobservable inputs	Range (weighted average)	Sensitivity of the input to fair value
Cork Road, Avondale, Harare		Market value method (refer below)	Estimated market value per sqm	ZWL148,000 to ZWL 205,000	5% increase/(decrease) in the estimated market value per square meter would result in an increase/(decrease) in fair value by ZWL 34 650 000.
Ruwa		Management valuation - acquisition was close to year end	None	N/A	N/A

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

17. Investment properties (continued)

The market value approach considers the possibility that, as a substitute for the purchase of a given property, one could construct another property that is either a replica of the original or one that could furnish equal utility. In a real estate context, one would normally not be justified in purchasing a given property for more than the cost of acquiring equivalent land and constructing an alternative structure, unless undue time, inconvenience, and risk are involved. In practice, the approach also involves an estimate of depreciation for older and/or less functional properties where an estimate of cost new unreasonably exceeds the likely price that would be paid for the appraised property.

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

18. Changes in interests in subsidiaries and associates

Acquisitions in 2022

18.1 Acquisition of interest in Sunrise Children (Private) Limited

The Group acquired 100% shareholding in a property holding company, Sunrise Children (Private) Limited with effect from 1 October 2021, at a cost of ZWL 257 935 352. The cost is included under investing activities on the statement of cash flows, while the property has been included under investment properties. As at the date of acquisition, the company had net assets of ZWL 257 935 352.

As at the date of acquisition, the net assets of the subsidiary comprised the following

	1 October 2021 Audited ZWL
Net assets	
Investment properties	257 935 352
Fair value of net assets of subsidiary at acquisition date	**257 935 352**
Less non-controlling interests therein	—
Fair value of net assets acquired	**257 935 352**
Impact on statement of cash flows:	
Cash Consideration paid	(257 935 352)
Add cash and cash equivalents acquired	—
Net cash outflow	**(257 935 352)**

18.2 Innbucks (Private) Limited

Establishment of subsidiary

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

The non-controlling interests contributed ZWL 130 538 514 (ZWL 108 302 543 historical cost) as at the date of establishment of the subsidiary.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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

18.2 Innbucks (Private) Limited (continued)

Acquisition of additional interest

Effective 1 June 2022, the Group acquired an additional 50% in Innbucks (Private) Limited for ZWL 77 106 962, increasing the Group's shareholding in the subsidiary to 100%.

The transaction did not result in a change in control and has been treated as a transaction among owners, with a difference of ZWL 77 262 837 recognised in equity.

	HISTORICAL COST AND INFLATION ADJUSTED
	1 June 2022 Audited ZWL
Consideration paid to NCI	(77 106 962)
Less: Carrying value of additional interest acquired (debit balance transferred from NCI)	(155 875)
Difference recognised in distributable reserves	**(77 262 837)**

The consideration was paid in the form of cash.

Disposals in 2022

18.3 Disposal of Simbisa Brands Namibia Limited

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

As at the date of disposal, this transaction gave rise to a loss on disposal of ZWL 414 836, recognised in profir or loss:

	1 July 2021 Audited ZWL
Net assets	
Property, plant and equipment	11 149 823
Deferred tax assets	13 968 808
Inventories	3 014 964
Trade and other receivables	679 265
Cash and cash equivalents	4 131 944
Trade and other payables	(32 529 968)
Fair value of net assets of subsidiary at disposal date	**414 836**
Less non-controlling interests therein	—
Fair value of net assets disposed	**414 836**
Loss on disposal of subsidiary	(2 995 556)
	(2 580 720)
Consideration received	—
FCTR loss recycled to profit or loss	(2 580 720)

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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

18.3 Disposal of Simbisa Brands Namibia Limited (continued)

	1 July 2021 Audited ZWL
Impact on statement of cash flows:	
Cash Consideration received	—
Less cash and cash equivalents disposed	(4 131 944)
Net cash outflow	**(4 131 944)**

Acquisitions in 2021

18.4 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 bookk value. The book value approximates fair value.

As at the date of acquisition, this transaction gave rise to goodwill of ZWL 6 040 373 and non controliing interests of ZWL 13 319 098.

	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 2022

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 2020	2 659 677 970	1 370 208 593
Non-cash additions	1 687 481 342	1 687 481 342
Depreciation expense	(510 841 252)	(490 059 655)
Remeasurement	(369 529 447)	(166 582 041)
Exchange differences on translation of foreign subsidiaries	605 116 499	605 116 499
As at 30 June 2021	**4 071 905 112**	**3 006 164 738**
Non-cash additions	1 488 559 572	1 345 597 708
Depreciation expense	(1 228 907 367)	(1 150 134 414)
Remeasurement	450 251 228	128 153 891
Exchange differences on translation of foreign subsidiaries	10 939 081 489	10 939 081 489
As at 30 June 2022	**15 720 890 034**	**14 268 863 412**

Set out below are the carrying amounts of lease liabilities and the movements during the year:

	INFLATION ADJUSTED Audited ZWL	HISTORICAL COST Unaudited ZWL
Lease liability		
As at 1 July 2020	2 758 152 215	1 456 939 683
Non-cash additions	1 626 249 955	1 626 249 955
Accretion of interest	293 454 378	258 697 164
Payments	(719 885 024)	(655 811 719)
Remeasurement	(389 182 570)	(120 298 048)
Effect of IAS 29	(733 704 233)	—
Exchange differences on translation of foreign subsidiaries	641 439 515	641 439 515
As at 30 June 2021	**3 476 524 236**	**3 207 216 550**
Non-cash additions	1 488 559 570	1 345 597 708
Accretion of interest	973 985 401	880 959 319
Payments	(1 808 899 918)	(1 632 080 154)
Remeasurement	50 251 310	128 153 973
Effect of IAS 29	(650 573 204)	—
Exchange differences on translation of foreign subsidiaries	12 549 156 553	12 549 156 552
As at 30 June 2022	**16 479 003 948**	**16 479 003 948**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

19. Leases (continued)

Group as a lessee (continued)

	INFLATION ADJUSTED	HISTORICAL COST
	Audited ZWL	Unaudited ZWL
Split as follows:		
30 June 2022		
Non-current	13 765 272 682	13 765 272 682
Current	2 713 731 266	2 713 731 266
Total	**16 479 003 948**	**16 479 003 948**
30 June 2021		
Non-current	2 876 991 918	2 725 090 376
Current	599 532 318	482 126 174
Total	**3 476 524 236**	**3 207 216 550**

Group as a lessor

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

20. Group structure and companies

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

	Country of incorporation	30 June 2022 % interest	30 June 2021 % 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%

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

20. Group structure and companies (continued)

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

	Country of incorporation	30 June 2022 % interest	30 June 2021 % interest
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%	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%
Simbisa Brands Limited Employee Share Trust	Zimbabwe	**	**
Sunrise Children (Private) Limited	Zimbabwe	100.00%	—
Innbucks (Private) Limited	Zimbabwe	100.00%	—

** The Group consolidates the results of Simbisa Brands Limited Employee Share Trust as a result of control, even though it does not hold any interest in the trust.

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
21. Inventories				
Consumable stores	1 659 711 737	739 795 185	1 659 403 977	274 058 103
Finished products	403 150 067	117 581 077	403 149 895	85 334 764
Raw materials and packaging	2 541 057 647	984 853 084	2 540 752 894	455 792 253
Goods in transit	46 417 320	102 187 869	46 411 818	36 532 935
	4 650 336 771	**1 944 417 215**	**4 649 718 584**	**851 718 055**

The amount of write -down of inventories recognised as an expense in the statement of profit and loss is ZWL Nil (2021 ZWL Nil, {ZWL Nil historical cost}). ZWL Nil (2021 ZWL Nil {ZWL Nil historical cost}) of inventorie was pledged as security for borrowings.

Inventories recognised as an expense during the year amounted to ZWL38 150 308 544 (2021: ZWL 23 016 864 179).

The Group has no inventory carried at fair value less costs to sell (2021: ZWL Nil).

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
22. Trade and other receivables				
Trade receivables	520 154 642	125 875 773	520 154 642	84 311 847
Prepayments	1 023 477 505	1 817 566 484	1 017 796 233	704 245 100
Other receivables	2 711 496 043	556 072 924	2 711 496 043	286 961 237
	4 255 128 190	**2 499 515 181**	**4 249 446 918**	**1 075 518 184**
Allowance for credit losses	(169 021 006)	(19 500 065)	(169 021 006)	(18 993 539)
	4 086 107 184	**2 480 015 117**	**4 080 425 912**	**1 056 524 645**

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 679 265 (ZWL 679 265 historical cost) from the disposal of a subsidiary, Simbisa Brands Namibia Limited (Note 18.3). 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 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
Balance at the beginning of the period	19 500 065	12 444 403	18 993 539	12 433 224
Exchange movements	117 438 454	5 192 013	117 438 454	5 192 013
Effect of IAS 29	(506 526)	495 347	—	—
Increase in allowance for credit losses	32 589 013	1 368 302	32 589 013	1 368 302
Balance at the end of the period	**169 021 006**	**19 500 065**	**169 021 006**	**18 993 539**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	2022		2021	
	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 2022 - Audited				
At the beginning of the year	562 184 788	4 895 098	1 577 955 112	1 582 850 210
At the end of the year	**562 184 788**	**4 895 098**	**1 577 955 112**	**1 582 850 210**
30 June 2021 - Restated				
At the beginning of the year	562 184 788	4 895 098	1 577 955 112	1 582 850 210
At the end of the year	**562 184 788**	**4 895 098**	**1 577 955 112**	**1 582 850 210**
HISTORICAL COST				
30 June 2022 - 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 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**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

23. Ordinary Share capital (continued)

23.3 Share options

As at 30 June 2022, 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 2022

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 2022	SBL Employee share option scheme	SBL Employee share trust Options	Indigenisation share option agreement
Balance at the beginning of the year	—	30 000 000	50 000 000
Balance at the end of the year	—	30 000 000	50 000 000
30 June 2021			
Balance at the beginning of the year	5 400 000	30 000 000	50 000 000
Exercised during the year	(5 400 000)	—	—
Balance at the end of the year	—	30 000 000	50 000 000

Details of outstanding share options are as follows:

Share Option Scheme	Number of share options	Financial year of option grant	Financial year in 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	18 months	variable	10.60
SBL Employee share trust options	30 000 000	June 2016	June 2016	indefinite	variable	0.20

The fair value of options granted during the prior years was determined using the Binomial tree model. The significant inputs into the model were as shown in the table below. Expected volatility of the share price was determined by giving consideration to the historical volatility of the Simbisa Brands Limited share price.

Share Option Scheme	Year of option grant	Average share price 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 2022 # of shares	Group 30 June 2021 # of shares
Z Koudounaris	102 849 353	102 849 353
B Dionisio	23 384 058	22 484 058
	126 233 411	125 333 411

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	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 2022 - Audited				
Balance at 1 July 2021	(121 824 272)	917 401 622	—	795 577 350
Effect of IAS 29	(1 522)	—	—	(1 522)
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	—	2 580 720	—	2 580 720
Exchange differences arising on translation of foreign subsidiaries	—	8 483 406 659	—	8 483 406 659
Balance at 30 June 2022	**(121 825 794)**	**9 403 389 001**	**—**	**9 281 563 207**
Year ended 30 June 2021 - Restated				
Balance at 1 July 2020	(56 257 718)	641 063 033	91 016 014	675 821 329
Share options lapsed during the year	—	—	(91 016 014)	(91 016 014)
Purchase of treasury shares	(65 566 554)	—	—	(65 566 554)
Exchange differences arising on translation of foreign subsidiaries	—	276 338 589	—	276 338 589
Balance at 30 June 2021	**(121 824 272)**	**917 401 622**	**—**	**795 577 350**
HISTORICAL COST				
Year ended 30 June 2022 - Unaudited				
Balance at 1 July 2021	(19 178 339)	917 401 622	—	898 223 283
FCTR loss recycled to profit or loss - Simbisa Brands Namibia	—	2 580 716	—	2 580 716
Exchange differences arising on translation of foreign subsidiaries	—	8 483 406 658	—	8 483 406 658
Balance at 30 June 2022	**(19 178 339)**	**9 403 388 996**	**—**	**9 384 210 658**
Year ended 30 June 2021 - Unaudited				
Balance at 1 July 2020	(955 844)	641 063 033	1 074 195	641 181 384
Share options lapsed during the year	—	—	(1 074 195)	(1 074 195)
Purchase of treasury shares	(18 222 495)	—	—	(18 222 495)
Exchange differences arising on translation of foreign subsidiaries	—	276 338 589	—	276 338 589
Balance at 30 June 2021	**(19 178 339)**	**917 401 622**	**—**	**898 223 283**

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 prior 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 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
25. Net deferred tax liabilities				
25.1 Reconciliation				
Balance at the beginning of the year (net)	643 391 252	1 096 060 866	(767 725 471)	9 160 328
(Credited)/Charged to profit or loss - current year other temporary differences	(473 458 231)	(1 236 280 442)	(299 410 965)	(22 685 377)
Credited to profit or loss - Zimbabwe rebasing of income tax values	—	(724 743 999)	—	(724 743 999)
Effect of IAS 29	368 942 990	1 537 811 250	—	—
Exchange difference arising on translation of foreign subsidiaries	(1 012 695 802)	(29 456 423)	(1 012 695 802)	(29 456 423)
Balance at the end of the year (net)	**(473 819 791)**	**643 391 252**	**(2 079 832 238)**	**(767 725 471)**
25.2 Analysis of net deferred tax (assets)/liabilities				
Accelerated depreciation for tax purposes	(490 261 850)	483 816 675	(1 735 928 905)	(652 404 595)
Arising from IFRS 16 - ROUA	3 886 204 016	1 006 574 944	3 527 263 035	743 123 923
Arising from IFRS 16 - Lease Liability	(4 073 609 776)	(859 396 791)	(4 073 609 776)	(792 823 931)
Arising from investment properties	278 654 941	—	278 654 941	—
Arising from intangible assets	54 123 074	—	54 123 074	—
Arising from prepayments	1 404 410	—	—	—
Accumulated tax losses	(808 307 517)	(121 737 950)	(808 307 517)	(121 737 950)
Unrealised exchange gains	719 754 902	138 954 790	719 754 902	60 812 285
Allowance for credit losses	(41 781 993)	(4 820 416)	(41 781 993)	(4 695 203)
	(473 819 791)	**643 391 252**	**(2 079 832 238)**	**(767 725 471)**
The net deferred tax (assets)/liabilities is made up as follows:				
Deferred tax assets	(913 016 213)	(121 737 951)	(2 246 534 355)	(771 223 024)
Deferred tax liabilities	439 196 422	765 129 203	166 702 117	3 497 553
	(473 819 791)	**643 391 252**	**(2 079 832 238)**	**(767 725 471)**

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

25. Net deferred tax liabilities (continued)

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

The expiry dates for the recognised, but unutilised, tax losses are as follows:

Expiry year:	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL
Expiring FY2022	—	6 955 115
Expiring FY2023	53 150 039	9 436 522
Expiring FY2024	57 192 793	18 817 156
Expiring FY2025	77 653 435	86 529 157
Expiring FY2026	75 641 933	—
Expiring FY2027	14 202 150	—
Expiring FY2029	620 311 250	—
	808 307 517	**121 737 950**

The Group has tax losses that arose in Zambia, Ghana and Mauritius of ZWL 737 604 576 (2021: ZWL 116 014 246), that are available until 2023 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 may not genetrate sufficient profits to utilise the profits before they expire.

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

Expiry year:	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL
Expiring FY2022	—	14 295 747
Expiring FY2023	179 595 655	19 885 036
Expiring FY2024	47 687 028	6 993 427
Expiring FY2025	510 321 893	74 840 036
	737 604 576	**116 014 246**

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

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 during the prior year, with effect from 1 July 2020. The effect of the rebasing on the Group financial statements is shown on note 13.2 and note 25.1 above. As a result of the rebasing the Group's prior year effective tax rate was -3.39% and -8.79% inflation adjusted and historical cost respectively.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

26. Financial assets and financial liabilities

26.1 Financial assets

INFLATION ADJUSTED	Rate of Interest per annum	Year Repayable	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL
Financial assets at amortised cost				
Trade and other receivables - non-interest bearing	nil	On demand	3 231 650 685	681 948 697
Short-term loan receivable (secured) - ZWL	42%	2022	—	272 654 876
Short-term loan receivable (secured) - USD	5% to 12%; 8%	2023	6 210 060 801	1 284 599 539
Total financial assets			**9 441 711 486**	**2 239 203 112**
Financial assets are presented within the following on the statement of financial position:				
Trade and other receivables (excluding prepayments)			3 231 650 685	681 948 697
Current financial assets			6 210 060 801	1 557 254 415
Total financial assets			**9 441 711 486**	**2 239 203 112**
HISTORICAL COST				
Financial assets at amortised cost				
Trade and other receivables - non-interest bearing	nil	On demand	3 231 650 685	371 273 084
Short-term loan receivable (secured) - ZWL	42%	2022	—	93 515 042
Short-term loan receivable (secured) - USD	5% to 12%; 8%	2022	6 210 060 801	440 591 350
Total financial assets			**9 441 711 486**	**905 379 476**
Financial assets are presented within the following on the statement of financial position:				
Trade and other receivables (excluding prepayments)			3 231 650 685	371 273 084
Current financial assets			6 210 060 801	534 106 392
Total financial assets			**9 441 711 486**	**905 379 476**

Loans and receivables are non-derivative financial assets carried at amortised cost which generate a fixed or variable interest income for the Group. The carrying value may be affected by changes in the credit risk of the counterparties.

The carrying amount of the loans and receivables approximate their fair values at end of each year. The loans and receivables are due from third parties.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

26. Financial assets and financial liabilities (continued)

26.2 Borrowings

30 June 2022	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	806 000 000	806 000 000
Regional Operations short term	GHS	GRR+3.32% (16.89%)	May 2023	165 617 697	165 617 697
Regional Operations short term	USD	9.24% fixed	On demand	102 705 850	102 705 850
Regional Operations medium term:4 year term	ZMW	23%	July 2023	176 643 578	176 643 578
Regional Operations short term	ZMW	25.75%	June 2023	567 161 779	567 161 779
Regional Operations short term	MUR	Base - 1.8% (3.2%)	June 2023	288 745 682	288 745 682
Regional Operations short term	GHS	GRR+3.89% (17.46%)	May 2023	70 061 580	70 061 580
Regional Operations short term	GHS	GRR+3.89% (17.46%)	May 2023	118 216 575	118 216 575
Regional Operations short term	ZAR	Prime	June 2023	31 763 746	31 763 746
Zimbabwe Operations short term	ZWL	35% to 40% fixed	Aug 2022 to Mar 2023	1 654 731	1 654 731
Zimbabwe Operations: overdrafts	ZWL	38% fixed	On demand	2 588 845 775	2 588 845 775
Total borrowings				4 917 416 993	4 917 416 993
Repayable within one year (current borrowings)				3 934 773 415	3 934 773 415
Repayable within two to five years (non-current borrowings)				982 643 578	982 643 578
				4 917 416 993	4 917 416 993

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	1 154 786 778	396 068 230
Zimbabwe Operations: overdrafts	ZWL	38% fixed	On demand	2 324 150 501	796 379 847
Total borrowings				4 267 605 619	1 981 116 417
Repayable within one year (current borrowings)				4 060 269 234	1 773 780 032
Repayable within two to five years (non-current borrowings)				207 336 385	207 336 385
				4 267 605 619	1 981 116 417

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

26. Financial assets and financial liabilities (continued)

26.2 Borrowings (continued)

Collateralised borrowings

As at 30 June 2022, the Group had no assets pledged in order to fulfil the collateral requirements for the borrowings (2021: ZWL Nil).

Short-term borrowings and overdrafts form part of the Group's core borrowings and are renewed in terms of ongoing facilities negotiated with the relevant financial institutions.

26.2.1 Reconciliation

	INFLATION ADJUSTED	
	30 June 2022 Audited ZWL	30 June 2021 Restated ZWL
Balance at the beginning of the year	4 267 605 619	2 527 053 474
Drawdowns	4 151 099 925	3 882 490 078
Repayments	(5 061 080 229)	(1 005 664 096)
Effect of IAS 29	30 304	1 438 786 876
Exchange movements - Regional Operations	1 559 821 982	302 513 039
Balance at the end of the year	4 917 416 993	4 267 605 619

	HISTORICAL COST	
	30 June 2022 Audited ZWL	30 June 2021 Restated ZWL
Balance at the beginning of the year	1 981 116 417	1 086 729 708
Drawdowns	2 319 073 749	1 414 451 221
Repayments	(942 595 155)	(822 577 551)
Exchange movements - Regional Operations	1 559 821 982	302 513 039
Balance at the end of the year	4 917 416 993	1 981 116 417

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 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
27. Trade and other payables				
Trade payables	10 197 723 255	1 808 587 569	10 197 723 255	1 677 035 552
Accruals and other payables	7 649 776 874	922 619 110	7 649 776 874	790 852 963
Dividends payable to shareholders of the parent	151 843	521 640 321	151 843	151 843
Statutory liabilities	2 429 756 660	1 181 922 165	2 429 756 660	376 714 338
	20 277 408 632	**4 434 769 165**	**20 277 408 632**	**2 844 754 696**

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 2022

28. Business segments (continued)

28.1 Segmental analysis (continued)

INFLATION ADJUSTED

Year ended 30 June 2022	Zimbabwe Audited ZWL	Region Audited ZWL	Intersegment adjustments Audited ZWL	Total Audited ZWL
Statement of profit or loss				
Revenue from external customers	51 057 986 212	21 857 738 478	—	72 915 724 690
Operating profit before depreciation and amortisation	978 089 644	4 786 531 247	—	5 764 620 891
Depreciation, amortisation and impairment	796 237 747	2 011 659 781	—	2 807 897 528
Profit before tax	10 631 578 407	3 326 971 312	—	13 958 549 719
Interest expense	1104 245 441	1 022 381 198	—	2 126 626 639
Interest income	171 548 058	1 167 160	—	172 715 218
Income tax expense	3 976 597 912	496 520 609	—	4 473 118 521
Statement of financial position				
Segment assets	30 130 887 827	42 278 927 393	(1 970 297 124)	70 439 518 096
Segment liabilities	17 162 219 275	29 537 260 797	(1 974 879 077)	44 724 600 995
Capital expenditure	3 215 665 413	3 047 055 502	—	6 262 720 915
Statement of cash flows				
Cash generated from operations	15 988 745 012	5 737 048 109	—	21 725 793 121
Cash flows from investing activities	(15 650 185 807)	(3 044 230 783)	—	(18 694 416 590)
Cash flows from financing activities	(3 612 957 060)	(750 358 212)	—	(4 363 315 272)

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	72 292 343 551
- Royalty and franchising income	623 381 139
	72 915 724 690

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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	34 482 396 685	6 971 230 058	—	41 453 626 743
Operating profit before depreciation and amortisation	2 658 881 493	1 501 231 208	—	4 160 112 701
Depreciation, amortisation and impairment	591 919 309	803 968 754	—	1 395 888 063
Profit before tax	4 996 332 053	451 374 425	—	5 447 706 478
Interest expense	1318 233 340	334 955 301	—	1 653 188 641
Interest income	552 207 570	2 029 586	—	554 237 156
Income tax (credit)/expense	(282 790 749)	98 323 130	—	(184 467 619)
Statement of financial position				
Segment assets	18 123 512 981	7 198 503 698	(1 464 145 946)	23 857 870 733
Segment liabilities	9 291 449 927	5 871 410 268	(1 468 727 888)	13 694 132 307
Capital expenditure	1 595 533 740	717 573 048	—	2 313 106 788
Statement of cash flows				
Cash generated from operations	2 881 908 893	2 033 877 693	—	4 915 786 586
Cash flows from investing activities	(3 153 971 274)	(714 075 327)	—	(3 868 046 601)
Cash flows from financing activities	1 796 234 249	(707 694 322)	—	1 088 539 927

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	41 273 626 143
- Royalty and franchising income	180 000 600
	41 453 626 743

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

28. Business segments (continued)

28.1 Segmental analysis (continued)

HISTORICAL COST

Year ended 30 June 2022	Zimbabwe Audited ZWL	Region Audited ZWL	Intersegment adjustments Audited ZWL	Total Audited ZWL
Statement of profit or loss				
Revenue from external customers	29 834 193 161	21 857 738 478	—	51 691 931 638
Operating profit before depreciation and amortisation	919 315 251	4 786 531 247	—	5 705 846 498
Depreciation, amortisation and impairment	134 885 666	1 998 887 955	—	2 133 773 621
Profit before tax	7 556 204 090	3 326 826 013	—	10 883 030 103
Interest expense	604 382 400	1 022 381 198	—	1 626 763 598
Interest income	100 075 941	1 021 861	—	101 097 802
Income tax expense	2 033 483 050	496 520 609	—	2 530 003 659
Statement of financial position				
Segment assets	22 901 346 366	42 278 927 393	(1 970 295 248)	63 209 978 511
Segment liabilities	16 889 724 973	29 537 260 797	(1 974 879 080)	44 452 106 690
Capital expenditure	1 929 678 045	3 047 055 502	—	4 976 733 547
Statement of cash flows				
Cash generated from operations	9 273 495 052	5 737 048 109	—	15 010 543 161
Cash flows from investing activities	(7 930 534 723)	(3 044 230 783)	—	(10 974 765 506)
Cash flows from financing activities	(70 950 254)	(750 358 212)	—	(821 308 466)

Entity-wide information

Analysis of revenue by products and services:	ZWL
- Sale of goods	51 068 550 499
- Royalty and franchising income	623 381 139
	51 691 931 638

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

28. Business segments (continued)

28.1 Segmental analysis (continued)

HISTORICAL COST

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	10 096 807 574	6 971 230 058	—	17 068 037 632
Operating profit before depreciation and amortisation	958 485 324	1 501 231 208	—	2 459 716 532
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 generated 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 income	180 000 600
	17 068 037 632

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 7% of pensionable emoluments of which the maximum monthly pensionable salary is ZWL 700.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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 - Prior Year

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 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
Pension costs recognised as an expense for the year:				
Simbisa Brands Pension Fund - Zimbabwe	12 079 229	17 029 725	7 344 385	5 840 847
National Social Security Authority - Zimbabwe	1 985 521	3 519 837	1 207 232	1 207 232
Social Security and National Insurance Trust - Ghana	17 799 419	5 543 964	17 799 419	5 543 964
National Pension Scheme Authority - Zambia	13 105 676	3 470 856	13 105 676	3 470 856
Buyanstanshi Pension Scheme-Zambia	14 710 215	4 175 918	14 710 215	4 175 918
National Social Security Fund - Kenya	11 478 978	4 159 484	11 478 978	4 159 484
National Savings Fund - Mauritius	14 378 350	8 908 276	14 378 350	8 908 276
Social Security Commission - Namibia	—	124 102	—	124 102
	85 537 388	**46 932 162**	**80 024 255**	**33 430 679**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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 equivalents that derive directly from its operations.

The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk. The Board of Directors reviews and agrees the policies for managing each of these risks.

The following table summarises the carrying amount of financial assets and liabilities recorded at amortised cost based on IFRS 9 measurement categories:

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
Financial assets				
At amortised cost				
- Trade and other receivables (excluding prepayments) (note 22)	3 062 629 679	662 448 632	3 062 629 679	352 279 545
- Cash and cash equivalents (note 14.2)	6 089 647 477	3 405 179 937	6 089 647 477	1 391 849 079
- Short-term loan receivable (secured) - (Current Financial assets) (note 26.1)	6 210 060 801	272 654 876	6 210 060 801	534 106 392
	15 362 337 957	**4 340 283 445**	**15 362 337 957**	**2 278 235 016**
Financial liabilities				
At amortised cost				
- Borrowings (note 26.2)	4 917 416 993	4 267 605 619	4 917 416 993	1 981 116 417
- Trade and other payables (excluding statutory liabilities) (note 27)	17 847 651 972	3 252 847 000	17 847 651 972	2 468 040 358
- Lease liabilities (note 19)	16 479 003 948	3 476 524 236	16 479 003 948	3 207 216 550
	39 244 072 913	**10 996 976 855**	**39 244 072 913**	**7 656 373 325**

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 2021 and 30 June 2022.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

30. Financial risk management objectives and policies (continued)

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.

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 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
Effect on profit before tax				
Decrease of 0.3% in interest rates	619 915	360 044	619 915	360 044
Increase of 0.3% in interest rates	(619 915)	(360 044)	(619 915)	(360 044)
Effect on equity				
Decrease of 0.3% in interest rates	466 672	271 041	466 672	271 041
Increase of 0.3% in interest rates	(466 672)	(271 041)	(466 672)	(271 041)

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	Liabilities ZWL equivalent Audited	Assets ZWL equivalent Audited	Net position ZWL equivalent Audited
30 June 2022			
United States of America dollar	(719 458 280)	1 995 989 079	1 276 530 799
30 June 2021			
United States of America dollar	(889 941 008)	1 493 105 419	603 164 411

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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.

	Change in rate	Effect on profit before tax ZWL Audited	Effect on Equity ZWL Audited
30 June 2022			
United States of America dollar	+15%	191 479 620	144 145 858
30 June 2021			
United States of America dollar	+15%	90 474 662	68 109 326

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 2022

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 2022	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	6 210 060 801	—	—	6 210 060 801
Trade and other receivables (excluding prepayments)	22	3 062 629 679	(169 021 006)	—	2 893 608 673
		9 272 690 480	**(169 021 006)**	**—**	**9 103 669 474**
30 June 2021					
INFLATION ADJUSTED					
Financial assets	26.1	272 654 876	—	—	272 654 876
Trade and other receivables (excluding prepayments)	22	662 448 632	(19 500 065)	—	642 948 567
		935 103 508	**(19 500 065)**	**—**	**915 603 443**
HISTORICAL COST					
Financial assets	26.1	534 106 392	—	—	534 106 392
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**

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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	Between Less than 3 months ZWL	3 months and 1 year ZWL	Between 1 and 4 years ZWL	Over 4 years ZWL	Total ZWL
30 June 2022 - Audited					
Liabilities					
Interest-bearing borrowings	4 609 086 965	1 265 612 447	1 257 711 575	—	7 132 410 987
Lease liabilities	1 089 697 558	3 150 119 923	11 438 761 226	14 290 550 352	29 969 129 059
Trade and other payables	17 847 651 972	—	—	—	17 847 651 972
Total	23 546 436 495	4 415 732 370	12 696 472 801	—	54 949 192 018
30 June 2021 - Restated					
Liabilities					
Interest-bearing borrowings	2 741 841 705	592 138 258	353 703 935	—	3 687 683 898
Lease liabilities	145 498 556	467 964 064	1 040 692 742	1 866 100 882	3 520 256 244
Trade and other payables	3 252 847 000	—	—	—	3 252 847 000
Total	6 140 187 261	1 060 102 322	1 394 396 677	1 866 100 882	10 460 787 142
HISTORICAL COST					
30 June 2022 - Unaudited					
Liabilities					
Interest-bearing borrowings	4 609 086 965	1 265 612 447	1 257 711 575	—	7 132 410 987
Lease liabilities	1 089 697 558	3 150 119 923	11 438 761 226	14 290 550 352	29 969 129 059
Trade and other payables	17 847 651 972	—	—	—	17 847 651 972
Total	23 546 436 495	4 415 732 370	12 696 472 801	14 290 550 352	54 949 192 018
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

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
Total borrowings (note 26.2)	4 917 416 993	4 267 605 619	4 917 416 993	1 981 116 417
Less cash and cash equivalents (note 14.2)	(6 089 647 477)	(3 405 179 937)	(6 089 647 477)	(1 391 849 079)
Net debt	**(1 172 230 484)**	**862 425 682**	**(1 172 230 484)**	**589 267 338**
Total Equity	25 714 917 101	10 163 738 426	18 757 871 821	3 189 432 771
Net Gearing ratio	-5%	8%	-7%	16%

32. Translation Rates

The Group referred to the exchange rate derived from the Reserve Bank of Zimbabwe ("RBZ") weekly Foreign Currency Auction System ("Auction Rate") up to 30 April 2022 and the "Willing Buyer Willing Seller" rate from then until year end. During the later part of the financial year, the RBZ introduced a system where financial institutions are allowed to buy and sell foreign currency to the public, at a rate that is within 10% of the prevailing auction rate. Subsequently, businesses were allowed to price their products based on this "Willing-buyer Willing-seller" exchange rate. The Group 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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

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 2022		GROUP AUDITED 2021	
	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	0.007	0.003	0.055	0.055
South African Rand	0.113	0.044	0.864	0.864
Kenya Shilling	0.835	0.316	5.661	5.661
Ghanaian Cedi	0.049	0.021	0.304	0.304
Mauritian Rupee	0.049	0.021	0.304	0.304
Zambian Kwacha	0.128	0.046	0.826	0.826

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
33. Capital expenditure commitments				
Approved by the directors and contracted for	9 569 065 437	1 547 790 277	9 569 065 437	1 026 753 256
Approved by the directors but not contracted for	4 052 995 087	1 437 857 333	4 052 995 087	968 690 856
	13 622 060 524	2 985 647 610	13 622 060 524	1 995 444 112
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 10.2)	2 711 774 561	1 018 329 959	1 308 693 055	493 470 180
	2 711 774 561	1 018 329 959	1 308 693 055	493 470 180

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.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
34. Related party transactions (continued)				
34.1 Key management compensation (continued)				
The aggregate of the above transactions is as follows:				
Statement of profit or loss				
Professional fees paid	290 817 409	131 714 060	140 347 479	63 163 290
Interest paid on loans from directors	76 970	869 605	37 146	247 094
Statement of financial position				
Loans from Director related entities	(2 046 471)	2 156 293	(2 046 471)	2 156 293

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 2022 (2021: ZWL nil).

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.

Having come out of the COVID-19 pandemic, the Group's forecasts were particularly focused on growth. In addition, efficiencies will be targetted on the Group's existing footprint, where improved margins and cost efficiency will be main targets.

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

Financing
At 30 June 2022, the Group's financing arrangements consisted of loan funding totalling ZWL4.917 billion which are unsecured. There have been no changes to current debt repayment schedules, and we do not expect any liquidity and working capital shortfalls. We are confident that there are sufficient funds to meet our obligation as and when they become due. The Group has not breached any of its loan covenants and is still in a position negotiate for additional funding as and when it is required.

Zimbabwe
The operations' financial position remains strong. Cash held as on 30 June 2022 was ZWL 3.95 billion and borrowings were ZWL 2.59 billion. Short-term maturities will be settled from available cash resources.

Notes to the Consolidated Financial Statements (continued)

for the year ended 30 June 2022

36. Going concern (continued)

Region

As of 30 June 2022, the Region segment held ZWL 2.33 billion in cash balances and had borrowings of ZWL 2.14 billion, with the earliest maturity being in May 2023. The Group's Regional Operations also has undrawn facilities of ZWL 2.3 billion in the Region which are available for utilisation on demand.

With our major market, Kenya, fully coming out of COVID-19 restrictions during the year, a significant improvement in financial performance saw a further improvement in cash generation and the cash position. The market funded all its expansion from cash generation.

The other markets within the Region continue to improve in terms of profitability and cash flows. Of note, the Mauritius market streamlined it's brand offerings to predominantly become a Pizza Inn market in line with the Group's strategy.

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

37. Events after reporting date

Disposal of interest in Innbucks Private Limited

The Group disposed of its 100% shareholding in its subsidiary, Innbucks Private Limited to Ndoro Microfinance Bank Private Limited ("Ndoro Bank"), effective 1 July 2022. As consideration, the Group received 35% shareholding in the financial institution. Ndoro Bank is a deposit taking microlending financial institution, under which the Innbucks brand will be run going forward.

The Group's 35% shareholding in Ndoro Bank, combined with the fact that the Group has no control over the financial institution, makes this an investment in an associate. The Group will use equity accounting for this investment, effective 1 July 2022.

Company Statement of Financial Position

as at 30 June 2022

		INFLATION ADJUSTED		HISTORICAL COST	
	Notes	30 June 2022 Audited ZWL	30 June 2021 Restated ZWL	30 June 2022 Unaudited ZWL	30 June 2021 Unaudited ZWL
ASSETS					
Non-current assets					
Investments in subsidiaries		1 599 888 287	1 599 888 286	137 919 262	18 373 998
Deferred tax assets		2 078 058	—	2 078 058	—
		1 601 966 345	**1 599 888 286**	**139 997 320**	**18 373 998**
Current assets					
Loans and receivables from Group companies	1	330 934 374	495 145 901	330 934 374	169 824 910
Other receivables		15 784 633	6 561 858	15 784 633	2 250 583
Cash and cash equivalents		30 824	341 420	30 824	117 100
		346 749 831	**502 049 179**	**346 749 831**	**172 192 593**
Total assets		**1 948 716 176**	**2 101 937 465**	**486 747 151**	**190 566 591**
EQUITY AND LIABILITIES					
Capital and reserves					
Ordinary share capital and share premium		1 582 850 210	1 582 850 210	18 178 323	18 178 323
Other reserves		(121 820 368)	(121 820 368)	(19 174 436)	(19 174 436)
Distributable reserves		388 939 193	319 667 005	388 996 123	81 383 747
Total equity		**1 849 969 035**	**1 780 696 847**	**388 000 010**	**80 387 634**
Non-current liabilities					
Deferred tax liabilities		—	954 845	—	327 492
Current liabilities					
Borrowings-short term portion	2	1 654 731	248 816 596	1 654 731	85 339 000
Payables to Group Companies	3	20 327 312	63 726 144	20 327 312	21 856 763
Other payables	4	76 765 098	7 743 033	76 765 098	2 655 702
		98 747 141	**320 285 773**	**98 747 141**	**109 851 465**
Total liabilities		**98 747 141**	**321 240 618**	**98 747 141**	**110 178 957**
Total equity and liabilities		**1 948 716 176**	**2 101 937 465**	**486 747 151**	**190 566 591**

BASIL DIONISIO
Executive Director
Harare
26 September 2022

BALDWIN GUCHU
Executive Director

Company Statement of Changes In Equity

for the year ended 30 June 2022

	Ordinary Share Capital and share premium ZWL	Other Reserves ZWL	Retained Earnings ZWL	Total Equity ZWL
INFLATION ADJUSTED				
Balance at 1 July 2021	**1 582 850 210**	**(121 820 368)**	**319 667 005**	**1 780 696 847**
Profit for the year	—	—	2 398 642 770	2 398 642 770
Dividends paid to Employee Share Trust	—	—	(124 063 630)	(124 063 630)
Dividends paid to Company shareholders	—	—	(2 205 306 952)	(2 205 306 952)
Balance at 30 June 2022	**1 582 850 210**	**(121 820 368)**	**388 939 193**	**1 849 969 035**
Balance at 1 July 2020	**1 582 850 210**	**34 763 813**	**78 129 379**	**1 695 743 402**
Profit for the year	—	—	1 429 364 471	1 429 364 471
Share options lapsed during the year	—	(91 016 014)	91 016 014	—
Purchase of treasury shares	—	(65 568 167)	—	(65 568 167)
Dividends paid to Company shareholders	—	—	(1 278 842 859)	(1 278 842 859)
Balance at 30 June 2021	**1 582 850 210**	**(121 820 368)**	**319 667 005**	**1 780 696 847**
HISTORICAL COST				
Balance at 1 July 2021	**18 178 323**	**(19 174 436)**	**81 383 747**	**80 387 634**
Profit for the year	—	—	1 557 357 828	1 557 357 828
Dividends paid to Employee Share Trust	—	—	(59 872 680)	(59 872 680)
Dividends paid to Company shareholders	—	—	(1 189 872 772)	(1 189 872 772)
Balance at 30 June 2022	**18 178 323**	**(19 174 436)**	**388 996 123**	**388 000 010**
Balance at 1 July 2020	**18 178 323**	**122 255**	**14 944 693**	**33 245 271**
Profit for the year	—	—	482 392 936	482 392 936
Purchase of treasury shares	—	(18 218 593)	—	(18 218 593)
Share options lapsed during the year	—	(1 078 098)	1 078 098	—
Dividends paid to Company shareholders	—	—	(417 031 980)	(417 031 980)
Balance at 30 June 2021	**18 178 323**	**(19 174 436)**	**81 383 747**	**80 387 634**

Notes to the Company Financial Statements

for the year ended 30 June 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Group 30 June 2022 Audited ZWL	Group 30 June 2021 Restated ZWL	Group 30 June 2022 Unaudited ZWL	Group 30 June 2021 Unaudited ZWL
1. Loans and Receivables from Group Companies				
Loans receivable from Group Companies	330 934 374	495 145 901	330 934 374	169 824 910
Loans receivable from Group Companies bear interest at an average rate of 32% (2021: 40%) per annum and have no fixed repayment dates				
2. Borrowings				
Short-term loans (interest 32%/40% per annum)	1 654 731	248 816 596	1 654 731	85 339 000
Repayable within one year (current borrowings)	1 654 731	248 816 596	1 654 731	85 339 000
3. Payables to Group Companies				
Amounts due to Group Companies are non-interest bearing and are due in 30 to 60 days.	20 327 312	63 726 144	20 327 312	21 856 763
4. Other payables				
Statutory payables	712 540	3 584 733	712 540	1 229 490
Other	76 052 558	4 158 300	76 052 558	1 426 212
	76 765 098	**7 743 033**	**76 765 098**	**2 655 702**

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

Shareholder Information

TOP 20 SHAREHOLDERS
as at 30 June 2022

COMPANY		Shares %
ZMD INVESTMENTS (PVT) LTD	102,849,353	18.29
H M BARBOUR (PVT) LTD	100,024,000	17.79
STANBIC NOMINEES (PVT) LTD	97,244,546	17.30
OLD MUTUAL LIFE ASS CO ZIM LTD	28,086,093	5.00
SARCOR INVESTMENTS (PVT) LTD	22,484,058	4.00
SCB NOMINEES 033663700070	15,845,431	2.82
PHARAOH LIMITED	12,757,985	2.27
STONE HOUSE TRUST-NNR	10,800,000	1.92
MINING INDUSTRY PENSION FUND	8,238,931	1.47
MUSIC VENTURES PVT LTD	7,465,382	1.33
NSSA – WORKERS COMPENSATION IF	6,848,60	1,22
CITY AND GENERAL HOLDINGS P/L	6,822,598	1.21
NSSA - NATIONAL PENSION SCHEME	6,167,675	1.10
TN ASSET MANAGEMENT NOMINEES	6,079,444	1.08
WARREN MEARES	4,726,672	0.84
ECONET WIRELESS ZIM NOMINEE	3,507,600	0.62
J-SOFT (PVT) LTD	3,400,000	0.60
DELTA BEVERAGES PENSION FUND	3,041,282	0.54
ROY TURNER TRUST	2,827,169	0,50
GENERAL ELECTRONICS (PVT) LTD	2,575,224	0.46
Other	110 392 745	19.64
TOTAL	**562,184,788**	**100.00**

SHARE ANALYSIS BY INDUSTRY
as at 30 June 2022

Industry	Shares	Shares %	Shareholders	Shareholders %
LOCAL COMPANIES	319,380,627	56.81	597	12.10
LOCAL NOMINEE	70,561,816	12.55	208	4.22
PENSION FUNDS	67 077 502	11.93	208	4.22
BANKS	38,036,835	6.77	05	0.10
LOCAL INDIVIDUAL RESIDENT	21,795,096	3.88	3521	71.39
NEW NON RESIDENT	14,167,993	2.52	91	1.85
FOREIGN COMPANIES	12,763,820	2.27	04	0.08
FUND MANAGERS	7,019,821	1.25	13	0.26
TRUSTS	4,670,215	0.83	34	0.69
INSURANCE COMPANIES	4,138,861	0.74	37	0.75
FOREIGN NOMINEE	54,336,481	9.67	19	0.08
OTHER INVESTMENTS & TRUST	2,227,163	0.40	123	2.49
CHARITABLE	188,206	0.33	21	0.43
DECEASED ESTATES	116,598	0.03	61	1.24
FOREIGN INDIVIDUAL RESIDENT	24,179	0.00	0.6	0.12
GOVERNMENT / QUASI	16,056	0.00	0.3	0.06
TOTAL	**562,184,788**	**100.00**	**4 932**	**100.00**

Shareholder Information (continued)

SHARE ANALYSIS BY VOLUME
as at 30 June 2022

Range	Shares	Shares %	Shareholders	Shareholders %
1-5 000	2,686,643	0.48	3 949	80.07
5 001-10 000	1,597,200	0.28	218	4.42
10 001-25 000	3,340,846	0.59	203	4.12
25 001-50 000	5,347,596	0.95	145	2.94
50 001-100 000	8,256,476	1.47	115	2.33
100 001-200 000	15,22, 070	2.71	107	2.17
200 001-500 000	27,723,206	4.93	89	1.80
500 001-1 000 000	32,327,843	5.75	45	0.91
1 000 001 and Above	465,679,908	82.83	61	1.24
Totals	**562,184,788**	**100.00**	**4 932**	**100.00**

ANALYSIS BY DOMICILE
As at 30 June 2022

Country	Shares	Shares %	Shareholders	Shareholders %
ZIMBABWE	537 096 224	95.54	4201	85.18
BRITISH VIRGIN ISLANDS	12 757 985	2.27	01	0.02
MAURITIUS	10 800 000	0.23	646	0.02
WARRANT NOT PRESENTABLE	1 286 030	0.23	646	13.10
SOUTH AFRICA	166 137	0.03	47	0.95
UNITED KINGDOM	24,778	0.00	12	0.24
GERMANY	23,282	0.00	02	0.04
USA	5 812	0.00	09	0.18
BOTSWANA	5 266	0.00	03	0.06
AUSTRALIA	4 820	0.00	04	0.08
CAYMAN ISLANDS	4 300	0.00	01	0.02
GHANA	3,565	0.00	01	0.02
CANADA	2,752	0.00	03	0.02
NEW ZEALAND	2,241	0.00	01	0.02
ISRAEL	1,575	0.00	01	0.02
NAMIBIA	21	0.00	01	0.02
Totals	**562,184,788**	**100.00**	**4,932**	**100.00**

Notice to Members

NOTICE IS HEREBY GIVEN that the Annual General Meeting of Simbisa Brands Limited (the 'Company') will be held on 18th November 2022 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 2022.

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. Chinake and Mrs. J. Hussein retire by rotation and being eligible offer themselves for re-election.

2.2.1. Mr. A Chinake is a founder Independent Director of Simbisa and currently chairs the Board, Remuneration and Nomination Committees. He is a qualified Legal Practitioner, with 28 years of experience in specialised areas of corporate, commercial, mining, competition, tax law as well as litigation, mergers and acquisitions, and leveraged buyouts. He is the current Senior Partner of Kantor and Immerman, as well as serving as external counsel for various regulatory authorities, Mediator and Arbitrator.

2.2.2. Mrs. J. Hussein is currently an Independent Director of Simbisa and is a member of the Audit Committee. She is a is a qualified Chartered Accountant (CA (Z)). She has over 20 years of experience working with Ernst and Young, First Mutual amongst other companies in the manufacturing and construction sectors. She currently operates a public accountants firm, July28, which provides various services in the areas of risk, financial reporting and tax.

2.2 To approve fees accrued to Directors for the twelve month period ended 30 June 2022, in the amount of ZWL 47 316 094 (ZWL 98 044 824 inflation adjusted).

2.3 To approve borrowings for the year ended 30 June 2022.

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 2022, in the amount of ZWL 89 448 649 (ZWL 135 654 451 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 authorizes 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 Act 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.

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

7th 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 Seventh Annual General Meeting of the Company to be held on 18 November 2022 at 08.15 hours and at any adjournment thereof.

Signed this ______________________________ day of ______________ 2022

Signature of member ______________________________

Notes

1. In terms of the Companies and Other Business Entities Act [Chapter 24:31], a member who is entitled to attend and vote at a meeting may appoint one or more proxies to attend, vote and speak in their stead.
2. Article 93 of the Company's Articles of Association provides that the instruments appointing a proxy shall be deposited at the office of the Company not less than 48 hours before the appointed time for holding the meeting.

FOR OFFICIAL USE
NUMBER OF SHARES HELD ______________________________

Simbisa Brands

Affix Stamp Here

Simbisa Brands
LIMITED

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: https://escrowagm.com/eagmZim/Login.aspx

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 2022 published	November 2022
• Seventh Annual General Meeting	18 November 2022
• Interim financial results for the 6 months to 31 December 2022 published	March 2023
• Results for the 9 months ending 31 March 2023 published	May 2023
• Abridged financial results for the year ended 30 June 2023 published	September 2023
• Annual report for the year ended 30 June 2023 published	October 2023
• Eighth Annual General Meeting	November 2023

GRI Content Index

GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
	ORGANISATIONAL PROFILE				
GRI 102: General Disclosures 2016	102-1 Name of the organization	Cover Page			
	102-2 Activities, brands, meals, and services	6-11			
	102-3 Location of headquarters	162			
	102-4 Location of operations	6-7			
	102-5 Ownership and legal form	6, 156			
	102-6 Markets served	6-7			
	102-7 Scale of the organisation	12, 15, 20, 81			
	102-8 Information on employees and other workers	20, 57			
	102-9 Supply chain	54, 67			
	102-10 Significant changes to the organisation and its supply chain	54, 67			
	102-11 Precautionary principle or approach	39-42			
	102-12 External initiatives	61-64			
	102-13 Membership of associations	16			
	STRATEGY				
	102-14 Statement from senior decision-makers	22-25			
	ETHICS AND INTEGRITY				
	102-16 Values, principles, standards, and norms of behaviour	Inside front cover			
	GOVERNANCE				
	102-18 Governance structure	32-35			

GRI Content Index (continued)

GRI Content Index					
			Omission		
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
GRI 101: Foundation 2016					
General Disclosures					
	STAKEHOLDER ENGAGEMENT				
GRI 102: General Disclosures 2016	102-40 List of stakeholder groups	45			
	102-41 Collective bargaining agreements	58			
	102-42 Identifying and selecting stakeholders	45			
	102-43 Approach to stakeholder engagement	45			
	102-44 Key topics and concerns raised	46-47			
	REPORTING PRACTICE				
	102-45 Entities included in the consolidated financial statements	126-127			
	102-46 Defining report content and topic Boundaries	Inside front cover			
	102-47 List of material topics	48			
	102-48 Restatements of information	Inside front cover			
	102-49 Changes in reporting	Inside front cover, 48			
	102-50 Reporting period	Inside front cover			
	102-51 Date of most recent report	Inside front cover			
	102-52 Reporting cycle	Inside front cover			
	102-53 Contact point for questions regarding the report	Inside front cover			
	102-54 Claims of reporting in accordance with the GRI Standards	Inside front cover			
	102-55 GRI content index	166-171			
	102-56 External assurance	Inside front cover			

GRI Content Index (continued)

GRI Content Index					
			Omission		
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
Material Topics					
200 Series (Economic Topics)					
	ECONOMIC PERFORMANCE				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	Inside front cover, 68			
	103-2 The management approach and its components	66			
	103-3 Evaluation of the management approach	66			
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	80			
	201-3 Defined benefit plan obligations and other retirement plans	59			
	INDIRECT ECONOMIC IMPACTS				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	61			
	103-2 The management approach and its components	61			
	103-3 Evaluation of the management approach	61-64			
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	61			
	PROCUREMENT PRACTICES				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	67			
	103-2 The management approach and its components	67			
	103-3 Evaluation of the management approach	67			
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	67			

GRI Content Index (continued)

GRI Content Index						
			Omission			
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
Material Topics					
300 Series (Environmental Topics)					
	ENERGY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	54			
	103-2 The management approach and its components	54			
	103-3 Evaluation of the management approach	55			
GRI 302: Energy 2016	302-1 Energy consumption within the organization	55			
	302-2 Energy consumption outside of the organization	55			
	WATER				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	55			
	103-2 The management approach and its components	55			
	103-3 Evaluation of the management approach	55			
GRI 303: Water and Effluents 2018	303-3 Water withdrawal	55			
	WASTE				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	56			
	103-2 The management approach and its components	56			
	103-3 Evaluation of the management approach	56			
Waste 2020	306-3 Waste generated	56			
	306-5 Waste directed to disposal	56			

GRI Content Index (continued)

GRI Content Index					
			Omission		
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
Material Topics					
400 Series (Social Topics)					
	EMPLOYMENT				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	57			
	103-2 The management approach and its components	57-58			
	103-3 Evaluation of the management approach	58			
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	58			
	OCCUPATIONAL HEALTH AND SAFETY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	59			
	103-2 The management approach and its components	59			
	103-3 Evaluation of the management approach	59			
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	43			
	DIVERSITY AND EQUAL OPPORTUNITY				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	60			
	103-2 The management approach and its components	60			
	103-3 Evaluation of the management approach	60			
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	60			

GRI Content Index (continued)

GRI Content Index					
			Omission		
GRI Standard	Disclosure	Page number(s)	Part Omitted	Reason	Explanation
Material Topics					
400 Series (Social Topics)					
	FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	58			
	103-2 The management approach and its components	58			
	103-3 Evaluation of the management approach	58			
	HUMAN RIGHTS ASSESSMENT				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	60			
	103-2 The management approach and its components	60			
	103-3 Evaluation of the management approach	60			
	SOCIOECONOMIC COMPLIANCE				
GRI 103: Management Approach 2016	103-1 Explanation of the material topic and its boundary	39			
	103-2 The management approach and its components	39			
	103-3 Evaluation of the management approach	39			
GRI 419: Socioeconomic Compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	39