

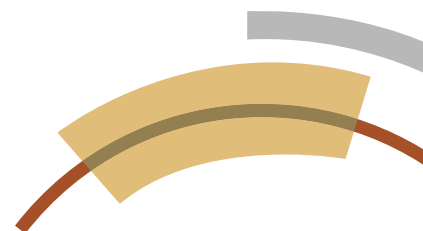


GROWTH BEYOND BOUNDARIES...

FASTER!

ANNUAL REPORT

2023

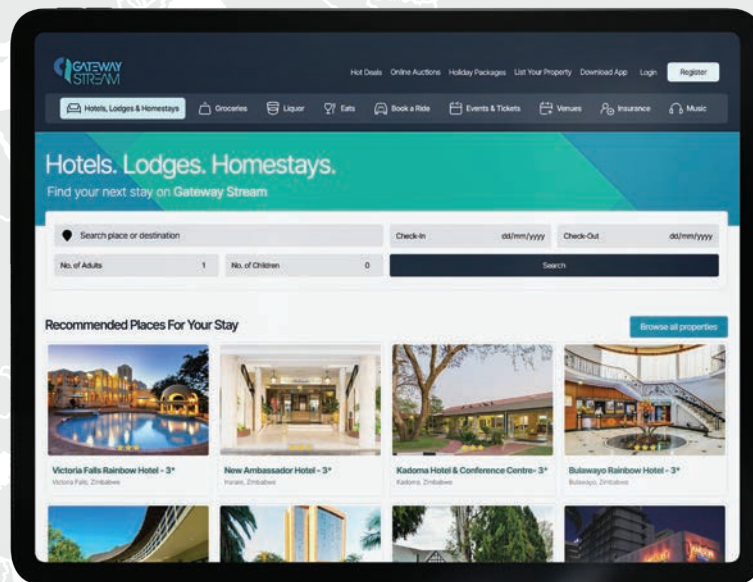






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ABOUT THIS REPORT

Rainbow Tourism Group Limited, a Group of companies listed on the Zimbabwe Stock Exchange since 1999, presents the annual report for the year ended 31 December 2023. This report integrates financial and sustainability information, exemplifying our commitment to responsible business practices.

Reporting Scope

This report encompasses information for Rainbow Tourism Group Limited, incorporated and domiciled in Zimbabwe. In this report all references to 'our', 'we', 'us', 'the business', 'RTG', and 'the Group' refer to Rainbow Tourism Group Limited.

Reporting Frameworks

In developing this report, the following were considered:

- Companies and Other Business Entities Act [Chapter 24:31].
- SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules.
- The International Financial Reporting Standards (IFRS) Accounting Standards.
- Global Reporting Initiative (GRI) Standards (2021).

Sustainability Data

The report integrates both qualitative and quantitative data gathered from multiple sources, including company policy documents, records, and individuals accountable for the material issues contained in this document. To align with our business activities, estimations were made in certain instances and subsequently verified. This approach guarantees coherence and ensures that the report accurately portrays our operations.

Assurance

The financial statements were audited by BDO Zimbabwe Chartered Accountants in accordance with the International Standards of Auditing (ISAs). The independent auditors' report is on page 71 of the report. Sustainability information was validated for compliance with GRI Standards (2021) by the Institute for

Sustainability Africa (INSAF), an independent subject matter expert. A GRI Content Index is provided on pages 95 to 97. The sustainability data provided in this report has not been externally assured.

Report Declaration

The Directors affirm their responsibility in confirming that this report has been prepared in accordance with the GRI Standards (2021).

Report Currency

All financial figures in this report are stated in ZWL and US\$.

Restatements

Rainbow Tourism Group did not make any restatement of previously published data. The information presented in this report reflects data available at the time of preparation.

Forward Looking Statements

The report might contain forward-looking statements that rely on current estimates and projections from Rainbow Tourism Group. However, it is important to note that these statements do not guarantee future outcomes. Various anticipated and unanticipated risks, events, and uncertainties could potentially impact the results. Stakeholders are advised not to over rely on these forward-looking statements, and any revisions to these statements will be publicly disclosed to reflect changes in circumstances or events after the report's publication, which will be communicated through trading updates and website revisions.

Feedback on the Report

The Group appreciates the input and feedback of all stakeholders regarding ways to enhance its operations and reporting. We welcome any suggestions or inquiries you may have. Kindly share feedback with Tapiwa Mari (Mr.), Company Secretary, Email: tapiwa.mari@rtg.co.zw

D. Hoto
Chairman

T. M. Madziwanyika
Chief Executive

OUR VISION

To be Africa's tech-enabled world class company that delivers exciting and fulfilling products and experiences.

OUR MISSION

We exist to create and grow sustainable shareholder value through the deployment of innovative solutions that solve our customers' needs and wants in an effortless and pleasurable way.



RAINBOW TOURISM GROUP LIMITED AT A GLANCE

Rainbow Tourism Group (RTG) is one of the largest tourism companies in Zimbabwe. The Group is certified under the ZWS ISO 9001:2015 Quality Management Systems (QMS) and is listed on the Zimbabwe Stock Exchange, where it maintains its market position in both the tourism and online retail sectors.

Beyond hotels, RTG has expanded its business scope to include Heritage Expeditions Africa, a local tour operations subsidiary, as well as Gateway Stream - the country's exclusive super-app. Functioning as a one-stop online marketplace, Gateway Stream offers a wide range of products, services, and experiences. Additionally, RTG has a marketing and sales office in Johannesburg, South Africa to manage and co-ordinate regional and international opportunities.



OUR HISTORY

1981 - 2023

In 1981, the Zimbabwe Tourist Board was established, marking the beginning of our story. Since then, RTG has been dedicated to its original principles and has achieved success through privatisation. Today, RTG is the leading company in the tourism and hospitality industry, with a strong market capitalisation and ownership of high-quality business units. In recent years, the Group expanded its operations into the technology sector with the introduction of the Gateway Stream mobile and web application, demonstrating its commitment to diversification.

1981

Zimbabwe Tourist Board is formed as a corporate body.

1983

The Government of Zimbabwe commissions the construction of a 5-star Hotel and Conference Centre in Harare and engages Sheraton Overseas Management Services (a subsidiary of ITT Sheraton) to manage the 5-star hotel upon completion.

1984

A parastatal, Zimbabwe Tourist Development Corporation (ZTDC) is formed.

1985

The 5-star Hotel and Conference Centre construction is completed and the hotel starts operating under a management contract with the name Harare Sheraton Hotel. The Conference Centre is named Harare International Conference Centre and is operated by the Ministry of Environment and Tourism.

1986

ZTDC takes over Victoria Falls Rainbow Hotel, which had been closed during Zimbabwe's liberation war. Victoria Falls Rainbow Hotel closes again due to security problems; ZTDC acquires two hotels, Ambassador Hotel and A' Zambezi River Lodge.

1987

ZTDC establishes touring division as a joint venture under a different name, Zimbabwe Tours.

1989

The Zimbabwe Tourist Development Corporation Act is amended to hive off the commercial side of ZTDC operations.

1991

Zimbabwe Tourism Investment Company (Pvt) Ltd (ZTIC), a company wholly owned by Government, is registered under the Companies

Act, Chapter 190. The first Board is appointed in November to turn around ZTDC loss-making operations, namely Hotels Division (A' Zambezi River Lodge, Victoria Falls Rainbow Hotel, New Ambassador Hotel – formerly Ambassador Hotel, and Christmas Pass Hotel), Tours Division (comprising Zimbabwe Tours), Conference Division (comprising Harare International Conference Centre) and the Investment Division (represented by the Harare Sheraton Hotel which was operated under a management contract with Sheraton Overseas Management Services).

1992

First C.E.O. appointed and commercial business assets transferred from ZTDC and Ministry of Environment and Tourism to ZTIC. Operations start on 1 April.

1994

ZTIC changes name to Rainbow Tourism Group (Private) Limited (RTG) with RTG still wholly owned by Government. Zimbabwe Tours becomes a joint venture on a shareholding structure of 60% for RTG and 40% for a strategic partner, Ireland Blyth Ltd (IBL) Mauritius, and is renamed Zimbabwe Mauritius Tours and Travel (Pvt) Ltd trading as Tourism Services Zimbabwe.

1995

RTG acquires Rhodes Nyanga Hotel and Kadoma Ranch Hotel.

1996

Chimanimani Hotel is acquired on a shareholding of 75% for RTG and 25% for a strategic partner Bervin Investments. Zambezi Safari Lodges is commissioned on a shareholding of 50% for RTG and 50% for a strategic partner Conservation Corporation Zimbabwe.

1997

Christmas Pass Hotel, Mutare, is disposed of. Bulawayo Sun Hotel is purchased and renamed Bulawayo Rainbow Hotel.

1998

Touch the Wild Lodges and Safaris is acquired on a shareholding structure of 60% for RTG and 40% for IBL Mauritius. ITT Sheraton is bought by Starwood Hotels and Resorts Worldwide Inc.

1999

Management contract of Harare Sheraton Hotel is renegotiated by RTG and Starwood Hotels and Resorts Worldwide Inc. and renamed Sheraton Harare Hotel and Towers. RTG is structured into four business units (Rainbow Hotels and Conferences division, Sheraton Harare Hotel and Towers Division, Touch the Wild (Pvt) Ltd and Tourism Services Zimbabwe). A voluntary retrenchment scheme is offered. Cabinet approval for RTG privatisation is given on 29 June. RTG's strategic partnership with Accor is approved on 19 October. RTG becomes the 72nd quoted company on the Zimbabwe Stock Exchange on 1 November.

2000

RTG/Accor strategic partnership agreement is concluded; Accor's 35% shareholding becomes fully subscribed on 1 March. Chimanimani Hotel and Rhodes Nyanga Hotel are disposed of as they could not achieve critical mass in capacity and yield.

2001

A' Zambezi River Lodge is rebranded to Hotel Mercure A' Zambezi.

OUR HISTORY

1981 - 2023

In 1981, the Zimbabwe Tourist Board was established, marking the beginning of our story. Since then, RTG has been dedicated to its original principles and has achieved success through privatisation. Today, RTG is the leading company in the tourism and hospitality industry, with a strong market capitalisation and ownership of high-quality business units. In recent years, the Group expanded its operations into the technology sector with the introduction of the Gateway Stream mobile and web application, demonstrating its commitment to diversification.

2002

Victoria Falls Rainbow Hotel is rebranded to Hotel Mercure Rainbow.

2004

The management contract with IBL Mauritius is terminated by mutual agreement.

2005

The management agreement with Starwood comes to an end and is not renewed. The management of Sheraton Harare Hotel and Towers is localised. Business of Sheraton Harare Hotel and Towers and Harare International Conference Centre is merged. RTG successfully carries out a rights issue in September and new shareholders emerge. Accor, Laico, and the Ministry of Environment and Tourism get diluted.

2006

The merged business successfully rebrands the Rainbow Towers Hotel and Conference Centre on 19 March. The management contract with Accor is terminated. Hotel Mercure A' Zambezi and Hotel Mercure Rainbow are rebranded to A' Zambezi River Lodge and Victoria Falls Rainbow Hotel respectively under the Rainbow Hotels Division. The Group reverses losses of the past 3 years and wipes out foreign debt incurred over management contracts.

2007

South African marketing office is established, and Tourism Services Zambia is registered. Regional expansion strategy is unveiled.

2008

RTG takes over management of the first regional hotel, Hotel Edinburgh in Kitwe, Zambia. RTG also signs a management contract for Savoy Hotel in Ndola, Zambia. Rainbow Hospitality Business School (RHBS) is established.

2010

The refurbishment of A' Zambezi River Lodge commences. Matetsi Water Lodge is acquired as a going concern on 1 March. RTG also enters into a long-term lease over Hotel Mozambique in Beira and commences operations in July. Rainbow Hotels in Zimbabwe acquires ZWS ISO 9001:2008 certification in March.

2011

A' Zambezi River Lodge was refurbished and rebranded to a 4-star hotel. The hotel is opened mid-May. RTG seeks to recapitalise and dispose of its subsidiaries, namely TTW, Matetsi Water Lodge, and TSZ to focus on core hotel operations and retire short term debt.

2012

RTG embarks on a recapitalisation exercise to address the short-term debt burden. RTG secures a US\$10 million loan and concludes a US\$4.5 million rights issue. The Group disposes of some of its subsidiaries which were TTW and TSZ to focus on core hotel operations. Hotel Edinburgh in Kitwe, Zambia is closed.

2013

The recapitalisation exercise is completed through a \$10 million loan which is used to restructure short-term debt and through a rights issue that raises \$4.5 million. RTG also places into liquidation Matetsi. In 2013, the Group makes a profit of \$1 million up from a \$6 million loss during the previous year. This is the Group's first significant profit since the introduction of a multi-currency system in 2009.

2014

The Rainbow Beitbridge Hotel, which is located in the border town of Beitbridge, with a room capacity of 136 rooms is opened for trading on 15 January.

2016

RTG exits non-performing markets. Rainbow Beitbridge Hotel closes on 31 May and Rainbow Hotel Mozambique closes on 30 September.

2018

RTG concludes its balance sheet restructuring exercise by raising \$22.5 million by way of a rights issue linked to debentures. RTG establishes a tour operations subsidiary, Heritage Expeditions Africa domiciled in Zimbabwe.

2019

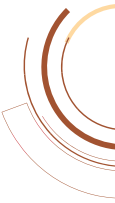
RTG declares and pays a dividend for the first time since 2006 for the year ended 31 December 2018. RTG was conferred with the award for "The listed Company with the highest profitability" by the Zimbabwe Independent Newspaper (Alpha Media Holding).

2020

RTG refurbishes Rainbow Towers Hotel and Conference Centre at a project cost of US\$4,6 million. RTG expands Gateway Stream into 12 revenue channels which include Hospitality & Leisure, Online Shopping, Media, Food & Drink, Book-ARide, Insurance, Online Auctions, Events & Venue, Deliveries, Advertising, Clothing and Farming. RTG launches Gateway Stream Music and pay-per-view.

2023

The Group entered into a Strategic Partnership Agreement with Grand Metropolitan Holdings BV (GMH), a Switzerland-based international hospitality company. In terms of the Partnership, RTG and GMH formed various joint venture entities which will leverage on various opportunities within the hospitality and tech industries throughout the African continent.



GROUP STRUCTURE

The Group operates hotels in Zimbabwe through a combination of owned and leased hotels, a local tour operations subsidiary, Heritage Expeditions Africa, and an e-commerce platform Gateway Stream.



TOUR OPERATIONS



HOTELS



LEASED

Rainbow Towers Hotel
& Conference Centre

Kadoma Hotel
& Conference Centre

New Ambassador Hotel

OWNED

Bulawayo Rainbow Hotel

A'Zambezi River Lodge

Victoria Falls Rainbow Hotel



E-COMMERCE



HOSPITALITY DIVISION

The Group has six hotels located in Zimbabwe: two in the capital city, Harare; one in Zimbabwe's mining town, Kadoma; one in the country's second largest city, Bulawayo; and two in the resort town of the world-renowned tourist attraction, Victoria Falls. Additionally, the Group owns the largest convention centre in Zimbabwe, the Harare International Conference Centre (HICC), which has a seating capacity of 4,500. Our hospitality portfolio is as follows:

CATEGORY	HOTELS	CONFERENCE CAPACITY	ROOMS
5 Star ***** The Rainbow Towers Hotel & Conference Centre (City)	1	7,000	304
4 Star **** A' Zambezi River Lodge (Resort)	1	80	87
3 Star *** Victoria Falls Rainbow Hotel (Resort) Bulawayo Rainbow Hotel (City) Kadoma Hotel & Conference Centre (City) New Ambassador Hotel (City)	4	930	487
TOTAL	6	8,010	878



Kadoma Hotel & Conference Centre

GATEWAY STREAM MOBILE AND WEB APPLICATION

Launched in 2018, Gateway Stream has nine sub-apps (with 10 revenue channels) across a diverse range of products and services. Gateway Stream is a wholly owned subsidiary of Rainbow Tourism Group. The platform is a home-grown innovation that Zimbabweans can be proud of, as it was locally conceptualised and developed. As a global, diversified, and unified online business ecosystem, Gateway Stream provides access to markets and connects customers with the highest quality products and services. The services available on the platform include:



Download the App Now!



TOUR OPERATIONS SUBSIDIARY

Heritage Expeditions Africa (HExA), our tour operations arm, provides heritage packages covering adventure, wildlife, historical and cultural experiences in Zimbabwe. You can trust us to make that Dream Holiday you have cherished for so long into an unforgettable reality. Explore the rich heritage in Zimbabwe and discover a whole new world of amazing experiences when you choose our expeditions. Heritage Expeditions Africa offers the following in Victoria Falls:



Transfers



**Cruises on the
mighty Zambezi
River**



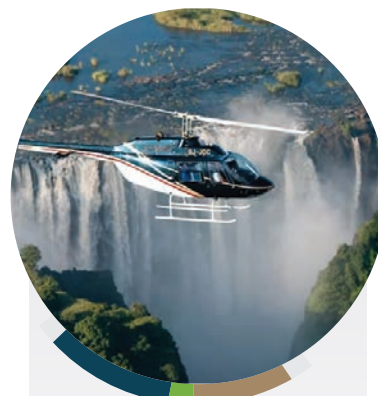
**Quad bike
nature rides**



**Tour and
game drives**



**Adrenaline
activities**



**Scenic
helicopter
rides**

Other services provided by HExA include:

- Car and bus hire
- Airport Transfers
- Around Zimbabwe heritage tours

SERVICE PROMISE

Fresh
Smile



Fresh
Food



Fresh
Pillow



Our service promise is expressed through the above three pillars of freshness. Rainbow Tourism Group offers all round refreshing experiences to its customers. From the time you check in, your experiences will be that of freshness in all respects. We take pride in our self-developed systems that ensure quality and pleasurable moments for our clients.



The RTG Chief Executive Mr. Tendai Madziwanyika shaking hands with the President and Chairman of Grand Metropolitan Hotels Mr. Martin Smura

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PERFORMANCE HIGHLIGHTS

Occupancy

52%

51% in FY2022
2% **Increase**

Revenue (ZWL)

266.3 billion

117.7 billion in FY2022
126% **Increase**

Total Assets (ZWL)

329.4 billion

157.4 billion in FY2022
109% **Increase**

Operating Profit (ZWL)

33.8 billion

7.6 billion in FY2022
345% **Increase**

Headline & Basic Earnings Per Share (ZWL)

1,133.56 cents

183.21 cents in FY2022
519% **Increase**

Cash generated from operations (ZWL)

61.2 billion

18.7 billion in FY2022
227% **Increase**

SUSTAINABILITY HIGHLIGHTS

Total Employees (Headcount)



556

552 in FY2022
1% **Increase**

Safety meetings (Count)



85

87 in FY2022
2% **Decrease**

Average Training (hours per employee)



54

54 in FY2022
Constant

Water Consumption (m3)



853,095

1,661,674 in FY2022
49% **Decrease**

Electricity (KwH)



7,019,285

7,215,333 in FY2022
3% **Decrease**

Solar (KwH)



231,500

114,609 in FY2022
102% **Increase**



AWARDS AND RECOGNITIONS



Zimbabwe Tourism Authority Sanganaai/
Hlanganai World Tourism Expo-
1st Runner-up Best Hotel Stand



Zimbabwe Tourism Authority Sanganaai/
Hlanganai World Tourism Expo-
**1st Runner up Best Tour Operator Stand
for Heritage Expeditions Africa**



Contact Centre Association of Zimbabwe
(CCAZ)-**1st Runner-up Hospitality Sector**



2023 Africa Green Waste
and Energy Expo and Summit
- **Best Sustainable Waste
Management Hospitality
Facility**



Twalumba National Travel
and Tourism Awards -
**Achievement in Innovation
Award for Gateway Stream
Facility**



Trip Advisor - **Travelers'**
Choice Award for
A'Zambezi River Lodge



Marketers Association of
Zimbabwe - **1st Runner-up
Super Brand Hotel Sector
for The Rainbow Towers
Hotel**

MEMBERSHIPS AND CERTIFICATIONS

- CSR Network Zimbabwe
- Institute of People Management of Zimbabwe (IPMZ)
- Marketers Association of Zimbabwe (MAZ)
- Zimbabwe Tourism Authority (ZTA)
- Tourism Business Council of Zimbabwe (TBCZ)
- Hospitality Association of Zimbabwe (HAZ)
- Association of Zimbabwe Travel Agents (AZTA)
- ZWS ISO 9001:2015 - Quality Management System
- Catering Employers Association of Zimbabwe (CEAZ)

CHAIRMAN'S STATEMENT



I am delighted to share our continued commitment to responsible business practices. RTG, as a major player in the hospitality industry, recognizes that it has a responsibility to protect the environment and contribute positively to the communities it serves.



DOUGLAS HOTO
CHAIRMAN



1. INTRODUCTION

The Group achieved strong results in the financial year ended 2023, marked by 126% revenue growth. This was driven by conferencing business across the city hotels during the second half of the year. Travel demand remains robust, with Revenue Per Available Room (RevPAR) showing a year-on-year improvement surpassing the pre-Covid pandemic period. The overall occupancy for the year reached 52%, a 1% increase from the 51% reported in 2022. The Group's flagship, the Rainbow Towers Hotel and Conference Centre hosted several large events in 2023 such as being the Command Centre for the Harmonised National Elections and the International Conference on Aids and STIs in Africa (ICASA).

The operating environment over the past years has cast a shadow on both consumer expenditure and the entire supply chain. The Group remained committed to strengthening the brand and expanding its market presence despite the challenging operating environment.

2. OPERATING ENVIRONMENT

The operating landscape has been persistently challenged by inflation, power cuts and shortage of foreign currency. Our ability to adapt swiftly to these conditions has been pivotal. We

have remained agile, continuously refining our business model and leveraging technology to boost operational efficiency and deepen our engagement with customers.

The outlook remains positive. We draw encouragement from the Government of Zimbabwe's focus on infrastructural development, which is fundamental in fostering tourism and enhancing inter-city travel.

3. PERFORMANCE REVIEW

The Group achieved total revenues for the year ended 31 December 2023 of ZWL266.3 billion, a 126% growth on revenue generated in the prior comparative period of ZWL117.7 billion. This performance comprises of:

- rooms revenue growth of 281% to ZWL106.4 billion (2022: ZWL27.9 billion),
- food and beverage revenue growth of 81% to ZWL139.2 billion (2022: ZWL 76.9 billion) and,
- other revenues income growth of 61% to ZWL20.7 billion (2022: ZWL12.9 billion).

During the period under review, the Group witnessed substantial increase in foreign currency business. The increase was driven by regional and international business which together grew

by 129%. Resort hotels experienced a notable performance improvement, with occupancy increasing by 44% to 52% in 2023 from 36% in 2022. City hotels, despite recording increased revenues, posted lower occupancy, primarily due to the reduced amount of business activity during the first half of the year.

The Group maintained its gross profit margin at 70% over the past two years which is within the industry benchmarks. The gross margins were achieved despite a year-on-year inflation rate of 314% as of 31 December 2023. The gross margins were sustained through rigorous cost reduction initiatives aimed at mitigating the effects of escalating market prices and unstable foreign currency exchange rates.

During the year under review, the Group achieved an Earnings Before Interest, Tax, Depreciation, and Amortization (EBITDA) of ZWL36.9 billion, marking a 288% increase from the ZWL9.5 billion recorded in 2022. This growth in EBITDA was primarily fueled by cost-saving initiatives and an increase in revenues.

The Group's financial position remains strong, with the current ratio improving to 1.16 from 1.01 in 2022. This improvement is attributable to prudent cash flow management, reflecting the Group's commitment to maintaining a strong financial footing.

4. SUSTAINABILITY AND CORPORATE SOCIAL INVESTMENT

I am delighted to share our continued commitment to responsible business practices. RTG, as a major player in the hospitality industry, recognizes that it has a responsibility to protect the environment and contribute positively to the communities it serves.

The company launched an afforestation and re-forestation program under the theme "A tree for every room" where a total of 6,000 trees were planted at ten schools in Kadoma. This was in partnership with the Forestry Commission of Zimbabwe. This initiative goes beyond off-setting direct carbon footprint; as it builds a culture of environmental mindfulness, provides protection of infrastructure through the creation of wind breaks, actively restores natural habitats, supports biodiversity and empowers communities. The program will be rolled out in schools and communities in all the regions where RTG operates.

I am pleased to report that the 300kva solar plant at Kadoma Hotel and Conference Centre has reduced the overall hydro generated electricity consumption by an average of 40%. This marks a significant milestone towards greening the hotel and is also proof of concept for future similar projects.

RTG hosted the annual environmental reporter of the year awards to promote the coverage of climate change and human impact on the environment to create awareness and behavioural change. A total of ten journalists received awards for various story categories and media channels. RTG has been hosting these awards for the past 24 years.

5. DIVIDEND

At the meeting held on 25 March 2024, the Board resolved to declare the second and final dividend for the year ended 31 December 2023. The dividend is payable to all ordinary shareholders registered in the books of the Company. The dividend declared is a blend of Zimbabwe Dollars (ZWL) and United State Dollars (USD). The Zimbabwe Dollars amount is now payable in the new currency Zimbabwe Gold (ZiG). The second and final dividend amounts are US\$260,000.00 (US\$0.000104 per share) and ZiG1,761,331.57 (ZiG0.00071 per share). A separate dividend announcement will be made regarding the payment of the dividend.

6. OUTLOOK

Forecasts for 2024 indicate a robust revenue performance driven by the recovery of regional and international business. Domestic business has proved to be consistent post-Covid 19 pandemic and is anticipated to grow driven by the national infrastructure development projects being rolled out by the Government of Zimbabwe. The Group can reap significant benefits from the growth of leisure tourism in the Victoria Falls market and from national conferencing activities. Volumes are projected to improve for city hotels accommodation and conferencing activities.

The Company will explore collaborations with partners to unlock shareholder value, leveraging strategic alliances and innovative partnerships to drive sustainable growth and enhance its competitive position in the market.

7. ACKNOWLEDGEMENTS

On behalf of the Board, I would like to thank all RTG customers and business partners for their invaluable support. I also extend my gratitude to my fellow members of the Board of Directors and members of staff for their dedication, professionalism, and determination to succeed.

Together, we will continue to innovate and seize the opportunities available to us to create sustainable value for all stakeholders.



D. HOTO
CHAIRMAN
25 April 2024

CHIEF EXECUTIVE'S REPORT

“

Forecasts for 2024 indicate a robust revenue performance driven by increased business from Non-Governmental Organizations (NGOs), government initiatives, and increased use of the Gateway Stream web and mobile platform. In addition, Heritage Expeditions Africa which is now fully capitalised is anticipated to contribute significantly to the Group's revenues.

”

TENDAI MADZIWANYIKA
CHIEF EXECUTIVE

1. INTRODUCTION

Rainbow Tourism Group (RTG) posted a strong set of financial results for the year under review, capitalizing on a solid first-half performance to deliver an even stronger second half. In the face of a challenging business operating environment including government policies designed to tackle inflation, the Group revenues grew by 126% to ZW\$266.3 billion in 2023, from ZW\$177.7 billion reported in 2022. A notable achievement was the 44% increase in foreign currency earnings. This performance was driven by the Group's resort hotels, and Heritage Expeditions Africa, which not only sustained earnings but also showed potential for growth and cash flow generation. These results position RTG to provide consistent returns to its shareholders moving forward.

2. MACRO-ECONOMIC ENVIRONMENT

Amid changing and difficult macroeconomic conditions, the Group continues to adopt and take on opportunities presented by the progressive post-covid recovery, increasing wealth in emerging markets. Our strategic approach positions us to leverage these trends effectively, as demonstrated by the performance posted in 2023.

In the last quarter of the year, the exchange rate negative accelerated compared to first half trends, leading to an average month-on-month inflation of 5% from October 2023 to January

2024. This trend continued to put pressure on prices in the market. It is important to highlight that during this period, the Group posted a recovery in both business volumes and profitability.

3. TOURISM INDUSTRY OVERVIEW

3.1 Highlights on global tourism

The United Nations World Tourism Organisation (UNWTO) Tourism Barometer for January 2024 highlights a significant recovery in global tourism, with 1.286 billion international tourists recorded in 2023, 34% increase over full year 2022 and achieving 88% of pre-pandemic levels. The recovery was strong in the Middle East, Europe, Africa, the Americas, and Asia-Pacific, with varying degrees of success:

- The Middle East surpassed pre-pandemic levels with a 22% increase, led by significant gains in Qatar (+90%) and Saudi Arabia (+56%).
- Europe, the most visited region, welcomed 700 million travellers (54% of the global total), reaching 94% of its pre-pandemic figures, largely due to intra-regional demand and increased travel from the United States.
- Africa saw a 96% recovery, with Ethiopia, Tanzania, and Morocco exceeding their 2019 visitor numbers.

Tourism revenue returned to near pre-pandemic figures, with international tourism receipts at \$1.4 trillion and total export revenues from tourism at \$1.6 trillion in 2023. The tourism sector's contribution to global GDP was estimated at \$3.3 trillion or 3% in 2023.

Looking ahead, the UNWTO forecasts a full recovery to pre-pandemic tourism levels in 2024, with a potential 2% growth above 2019 levels, depending on Asia's recovery and ongoing economic and geopolitical challenges. The positive outlook optimism is reflected in the UNWTO Confidence Index Survey, where most tourism professionals are expecting better prospects in 2024. RTG in partnership with Grand Metropolitan Hotels (GMH) in establishing a Hospitality School is aiming to mitigate the risk posed by staff challenges. However, economic challenges and staff shortages remain significant concerns for the tourism industry.

3.2 Summary of Tourism and Accommodation Trends in Zimbabwe

The Zimbabwe Tourism Authority (ZTA) report for 2023 indicated substantial growth in the country's tourism sector. The data showed a significant 54% increase in tourist arrivals compared to the previous year, totalling 1,602,781 visitors in 2023. This surge in arrivals also contributed to an increase in the national average occupancy, which rose to 47% in 2023, up from 45% in 2022.

In terms of revenue, the sector saw a 27% growth in tourism receipts, achieving a total of US\$ 1.16 billion in 2023 compared to US\$ 0.911 billion in 2022. This growth suggests a positive recovery trajectory for the industry, which had experienced downturns during the Covid-19 period.

Moreover, the report highlights that Zimbabwe's tourism is bolstered by strategic plans like the National Development Strategy 1 (NDS1) for 2021-2024 and the National Tourism Recovery and Growth Strategy (NTRGS), aiming to establish a USD 5 billion tourism economy by 2024. The integration of ZTA's strategic planning with these national frameworks indicates a coherent approach to boosting the sector.

Significantly, domestic tourism is also on the rise, with more locals traveling within the country, and tourism investment is expected to significantly increase, forecasting a jump to USD 534 million in 2024. This suggests that the sector not only relies on international visitors but is also gaining robust support from domestic tourism, indicating a diversified and resilient industry. The continued growth in tourism is supported by increased visitation from key markets, including Europe and America, positioning Zimbabwe's tourism sector as a critical economic pillar moving forward. During the year under review, RTG was 18% ahead of the market on occupancy at 52% against a national average of 44%.

4. OPERATIONAL PERFORMANCE REVIEW

The Group posted occupancy of 52%, a 1% growth compared to occupancy posted in 2022. The rise in occupancy levels, along with a boost in average daily rates and conferencing activities noted in the final quarter of 2023 significantly increased the Group's revenues.

4.1 Segmental Analysis

Hotel Business

The resort hotels occupancy closed the year on 52% compared to 36% in 2022, a growth of 46% above prior year. This recovery was driven by a comprehensive regional and international marketing strategy. City hotels performed better on conferencing business and the Food and Beverage (FnB). The FnB covers grew by 10% from 635,447 in 2022 to 695,865 in 2023.

Heritage Expeditions Africa (HExA)

HExA revenues grew by 1101% to ZWL 13.3 billion from ZWL 1.1 billion reported in 2022. The operation is now profitable with a profit before tax (PBT) of 8%. The capitalization of the entity will ensure a sustainable profitability trajectory into 2024. The Group has activated its capitalization program through investing US\$615,000 towards the procurement of luxury tour buses and nine vehicles used for transfers.

Profitability

The Group's gross profit margin remained at prior year levels at 70%. This is despite the disparity of exchange rates used to recognise revenue which was at the official exchange rates whilst the input costs obtained at parallel market rates. The strong recovery in gross profit margins was recorded in the second half of the year which averaged 73% compared to H1 average of 63%. The instability of the Zimbabwean dollar in the first quarter resulted in suppliers preferring settlements in US\$ or inflated ZWL exchange rates which were following unofficial market rates thereby disrupting cost alignment.

The Group posted a profit after tax of ZWL27.8 billion, a six times growth from ZWL4.5 billion posted in 2022. The Group declared a second and final dividend of ZIG1.7 million and US\$260,000. The interim dividend declared and paid was ZWL1.4 billion and US\$260,000.

5. OUTLOOK

Forecasts for 2024 indicate a robust revenue performance driven by increased business from Non-Governmental Organizations (NGOs), government initiatives, and increased use of the Gateway Stream web and mobile platform. In addition, Heritage Expeditions Africa which is now fully capitalised is anticipated to contribute significantly to the Group's revenues. The Group expects to earn substantial revenues from the revival of international business and a strong local client base that pays in foreign currency. Additionally, the strategic partnership with Grand Metropolitan Hotels is poised to help the Group broaden its foreign currency revenue sources through the projected growth on the African continent going forward.



TENDAI MADZIWANYIKA

CHIEF EXECUTIVE

25 April 2024



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BOARD OF DIRECTORS



DOUGLAS HOTO
Board Chairman
(Independent)

Qualifications:

BSc. Mathematics (UZ).

Experience:

Douglas Hoto is an accomplished business leader and currently holds the reins at First Mutual Holdings Limited as Group Chief Executive Officer.

He holds a Bachelor of Science Honours Degree in Mathematics (UZ) and is a qualified Actuary with more than 25 years' experience. He is a Fellow of the Institute and Faculty of Actuaries of the United Kingdom 1999 (FIFA), and is also a Fellow of the Actuarial Society of South Africa (FASSA). In addition to his many directorships, Douglas is involved in community transformation initiatives focusing on education. He works closely with national development organizations and was the founding chairman for Zimbabwe National Statistics Agency (ZIMSTAT).

Other Appointments:

He serves on a number of boards and is a past president of the Actuarial Society of Zimbabwe, and also a past chairman and finance committee chairman of the Insurance and Pensions Commission (IPEC).

Douglas is presently serving as Chairman of Council at the University of Zimbabwe and is a member of several of the UZ Committees.



TENDAI M. MADZIWANYIKA
Chief Executive

Qualifications:

Bachelor of Accounting Science (B.Compt) UNISA, MBA Major- Strategic Planning (with distinction) Hull University, United Kingdom.

Experience:

Mr. Madziwanyika has been the Chief Executive of the Company since November 2012. Prior to this, he held senior positions in the FMCG and hospitality industries including being the Managing Director of a listed hospitality group in Zimbabwe. He is a past President of the Zimbabwe Council for Tourism.



NAPOLEON K. MTUKWA
Finance Director
(Executive Director)

Qualifications:

B.Acc, MBA (UZ) FCCA, ACA.

Experience:

Mr. Mtukwa is a registered Public Accountant (PAAB) and a member of various accounting associations, including ACCA and ICAEW. He has worked at Unilever Zimbabwe and Mobil Oil, as well as serving in Senior Management at Rainbow Tourism Group in the role of Group Finance Manager and Group Management Accountant.

BOARD OF DIRECTORS



KEN CHIBOTA

Non-Executive
(Non-independent)

Qualifications

B.Acc (UZ) CA (Z)

Experience

Mr. Kenzias Chibota has been in commercial business since 1980 and has spent over 30 years of his career with Philips Electronics of the Netherlands rising from Finance Director to Chief Executive Officer. He spent two years in the Netherlands with Philips Electronics undergoing Management Development. He became Chief Executive Officer of Destiny Electronics (Private) Limited in 2004. He retired from Destiny electronics when the Philips franchise expired and formed Horizon Healthcare Services and took over the Philips Franchise for the Healthcare Business. Ken has served on the Board of the Confederation of Zimbabwe Industries, as President of Employers Confederation of Zimbabwe, Zimtrade, Netone as Deputy Chairman, FBC Holdings and its Subsidiaries, National Social Security Authority (NSSA), StarAfrica Corporation as well as Bindura University of Science Education.

Other appointments

Chief Executive Officer of Horizon Healthcare Services.



ANDREW BVUMBE

Non-Executive
(Non-Independent)

Qualifications

MSc Economics (UZ), BSc Economics (UZ).

Experience

Mr. Bvumbe is an experienced economist with a background in public policy at domestic and international levels. He has served as Executive Director in the World Bank Group and the African Development Bank. With his strong networking skills and depth of economic development knowledge, he is a pragmatic problem solver.

Other Appointments

Permanent Secretary (Non-Accounting) of Head Public Debt Management Office in the Ministry of Finance and Economic Development.



GIVEMORE TAPUTAIRA

Non-Executive
(Independent)

Qualifications

Doctorate in Business Administration (Binary University of Malaysia), Masters in Business Administration (MBA) (UZ), Certified International Professional Strategist (CIPS), Certified International Professional Leader (CIPL), BSc General (Majoring in ICT & Physics)

Experience

Givemore Taputaira is a professional and business leader, who possess multi-faceted and proven work experience with a wealth of exposure in ICT and Business projects. Givemore has worked for various companies in the private and public sector, including a listed hospitality company and has held portfolios of Project Manager, ICT Director, Projects Director and Development Director, amongst others.

Givemore has worked on various projects, in the country and across Africa and worked with various regional and international partnerships and brands to deliver value. Givemore also has great experience and exposure on Corporate Boards.

Other appointments

Givemore is currently the co-founder and Managing Director of Digital Edge Solutions (Pvt) Ltd.

BOARD OF DIRECTORS



LANGTON MABHANGA
Non-Executive
(Non-Independent)

Qualifications

Doctorate Degree in Business Administration, majoring in Strategy and Leadership with the IIC University of Technology Cambodia, jointly with The Chartered Institute of Management and Leadership (USA), accredited with the renowned Chartered Institute of Management Consultancy (CIMC), Master's Degree in Business & Economic Intelligence, Graduate Diploma in Business Intelligence. He is currently completing another Master's Degree in Leadership & Corporate Governance with the Bindura University, and second PhD by Research.

Experience

Dr. Langton Mabhangwa holds several qualifications in Electrical Engineering and Strategic Leadership in Cotton value chains. Langton is a Practitioner in ESG, Corporate Strategy, strategic business architecture and modelling. Langton is CEO at Africa True North Strategy Holding, a Member of the ESG Exchange Technical Committee (South Africa) and sits on Board the Trustees of Zimbabwe YMCA. Langton continues to participate in a number of ESG and professional development programs across the globe.

Other appointments

Sits on the Fidelity Life Assurance Board. Chief Executive Officer at Africa True North Strategy Holding.



DOUGLAS MAVHEMBU
Non-Executive Director
(Non-Independent)

Qualifications

MSc Tourism & Hospitality Management (UZ), BBA in Tourism Management- Azalia University.

Experience:

Mr Mavhemba has held several high-ranking positions in the Ministry of Environment, Climate, Tourism, and Hospitality Industry, which included serving as the Acting Director and Acting Under-Secretary. Additionally, Mr. Mavhemba co-chaired the Zimbabwe/Zambia Joint Technical Committee on the UNWTO General Assembly, which took place in Victoria Falls.

Other Appointments

Deputy Director to International Tourism Directorate in the Ministry of Tourism and Hospitality Industry.



CYNTHIA D. MALABA
Non-Executive Director
(Independent)

Qualifications:

B.Acc (UZ), B Commerce (Hons) degree – UNISA, CA (ICAZ and SAICA). Post Graduate Diploma in Auditing (UNISA). Global Executive Development Program with the Gordon Institute of Business Science.

Experience

Cynthia is a Chartered Accountant Fellow affiliated to both the Zimbabwe and South African Institutes of Chartered Accountants. She has vast experience in Accounting, Audit and Risk; Supply Chain Management and Operations Management. Her exposure spans to regional and global markets. Cynthia has had a first in the Corporate world where she was the first female, as Supply Chain Director, in a blue chip listed company to sit in the Group Management Committee. Her experience cuts across economic sectors: FMCG, Hospitality, Mining, Motor industry, Insurance and Financial Services; Sports, Arts and Culture. She has been involved in a number of businesses offering operational and financial advice majoring in systems and governance solutions.

Other appointments

Sits on boards of four companies, three of which are listed, one on the Victoria Falls Exchange and the other two on the Zimbabwe Stock Exchange. In all these companies she chairs the Board Audit and Risk Committees. Cynthia has been recently appointed by FIFA (International Football Association) as the Vice Chairperson of the Normalisation Committee of the local Zimbabwe Football Association.

SENIOR MANAGEMENT



TENDAI M. MADZIWANYIKA
Chief Executive



NAPOLEON K. MTUKWA
Finance Director



SHUPAI MARWARE
Commercial Director



TICHAONA HWINGWIRI
Operations Director



LAURENCE DHEMBA
Human Resources Director



SAMSON CHITSATO
Head: Internal Audit & Risk



TAPIWA MARI
Company Secretary



PRIDE KHUMBULA
Corporate Affairs & Quality
Manager



MEVIS CHIKAVA - GUEDES
Brand Manager



**FORTUNE GOWERA -
MAKAMANZI**
Sales & Commercial Services
Manager (RSA Office)

CORPORATE GOVERNANCE



We uphold our commitments and duties to both our internal and external stakeholders by adhering to our Corporate Governance practices. The Group strives for the highest standards of corporate governance by constantly benchmarking its operations against international best practices. Our operations are guided by the principles of ethical business conduct, honesty, and integrity. Our Corporate Governance Framework encompasses various policy documents, terms of reference for board committees, and prescribed requirements and procedures outlined in our Board Charter. The Board, through its committees, regularly reviews these documents and policies to ensure they remain up to date with current legal requirements, as well as international developments in corporate governance best practices. We are committed to aligning our governance practices with relevant regulations and guidelines, such as the Companies and Other Business Entities Act [Chapter 24:31], SI.134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rule (2019), and the National Code on Corporate Governance in Zimbabwe (2015).

Board Composition

The Group recognises the importance of diversity and inclusion in promoting strategic decision-making and planning. This commitment is reflected in the composition of the Board, which encompasses individuals with diverse skills, experiences, and backgrounds. Diversity enables the Board to offer informed perspectives on strategic matters, exercise effective oversight, and provide valuable guidance to management. The Board consists of nine members, including two Executive Directors, the Chief Executive, and the Finance Director. The Board is chaired by a non-executive director.



Board Responsibility

The primary responsibility of the Board is to safeguard and enhance long-term shareholder value while ensuring due consideration to interests of all stakeholders. The Board operates as an independent and professional entity, conducting thorough assessments and making decisions that prioritise the well-being of shareholders and other stakeholders. To ensure effective oversight, the Board holds quarterly meetings to review and evaluate the performance of the Group and senior management. These meetings involve discussions on reports provided by the Chief Executive and Board Committees. In cases where specific concerns arise between regular meetings, special Board or Committee meetings are convened to address them promptly. The participation of non-executive directors brings valuable expertise to the Board's discussions, decision-making processes, and other deliberations.

Board Delegation of Authority

The roles of the Chairman and Chief Executive are clearly separated and independent from each other, as outlined in the Articles of Association. The composition of the Board ensures a balance between seven non-executive directors and two executive directors. This balance allows for the delegation of responsibilities and strengthens the Board's oversight function in relation to management activities.

Board Stakeholder Engagement

We believe our stakeholders are integral to the Group, as such, we established platforms for stakeholders to engage directly with the Board. This allows stakeholders to communicate their needs and expectations and ensure decision making is done with deliberate aim to meet them. The engagement platforms in place include Annual General Meetings (AGM), Analyst Briefings, press releases and use of proxy forms.

Board Charter

The Board operates in accordance with an approved Charter that outlines various aspects of its operations and conduct.

Dealing in Securities

The Board established a formal trading policy that prohibits the Group's management, officers, and employees from trading in the Group's securities during closed periods, as mandated by the Listing Regulations of the Zimbabwe Stock Exchange (ZSE).

Business Ethics

Maintaining a high standard of ethical conduct is a fundamental aspect of our business. The Group implemented a code of ethical business conduct that applies to all employees, management, and our supply chain. This code sets forth guidelines and expectations that prohibit any involvement or association with corrupt practices by employees and management.

Remuneration Policy

The Group established a remuneration policy that provides guidance to the Human Resources, Remuneration, and Corporate Governance Committee. This policy ensures that employees at all levels are fairly and equitably rewarded, taking into consideration collective bargaining agreements and the recommendations of executive remuneration committees.

Board Committees

As per the Articles of Association of the Group, the Board has the authority to delegate certain powers and responsibilities to committees comprising selected members. The Board has four committees, namely the Audit and Risk Committee, the Human Resources, Remuneration and Corporate Governance Committee, the Marketing, Communications and Strategy Committee, and the Finance Committee. These committees play distinct roles in assisting the Board with specialised areas of focus and decision-making.

Committee Members And Responsibilities

COMMITTEE	MEMBERS	RESPONSIBILITIES
Audit & Risk	C. D. Malaba (Chairperson) G. Taputaira A. N. Bvumbe	The Committee comprises three non-executive directors. The Committee deals inter alia with compliance, internal controls, and risk management.
Human Resources, Remuneration and Corporate Governance	D. Mavhembu (Chairperson) D. Hoto	Two non-executive directors make up the Committee. The Committee's principal responsibility is to help the Board by assessing senior executive remuneration policies and current industry practice. The Committee also advises the Board on board composition and the balance of executive and non-executive directors. In this process, skills and diversity are also considered.
Marketing, Communications & Strategy	L. Mabhanga (Chairperson) D. Mavhembu	Two non-executive directors make up the Committee. The Committee's mission is to evaluate and provide advice on the Group's marketing, sales, communications and overall strategic activities.
Finance and Investments	K. Chibota (Chairperson) L. Mabhanga	Two non-executive directors make up the Committee. The Committee assists the Board in considering and approving a variety of issues, including ongoing capital structure and funding oversight; capital management and planning initiatives; due diligence on acquisitions and divestments, as well as proposals that may have a material impact on the Group's capital position.

Board and Committee Meetings Attendance

Board Member	Appointed	Main Board	Audit & Risk	Human Resources	Marketing, Communications & Strategy	Finance and Investments
Number of Meetings		7	4	5	4	4
D. Hoto	2012	7/7	N/A	5/5	N/A	N/A
T. M. Madziwanyika*	2012	7/7	4/4	5/5	4/4	4/4
N. K. Mtukwa*	2014	7/7	4/4	5/5	4/4	4/4
D. Mavhembu	2012	7/7	N/A	5/5	4/4	N/A
K. Chibota	2019	7/7	N/A	N/A	N/A	4/4
C. D. Malaba	2018	7/7	4/4	N/A	N/A	N/A
L. Mabhanga	2022	7/7	N/A	N/A	4/4	4/4
G. Taputaira	2020	7/7	2/2	N/A	N/A	2/2
A. Bvumbe	2021	5/7	2/4	N/A	N/A	N/A

* Mr. T. M. Madziwanyika (Chief Executive) and Mr. N. K. Mtukwa (Finance Director) attend all board committee meetings on invitation.

* Dr. G. Taputaira was moved from the Finance and Investments Committee to the Audit and Risk Committee and this became effective in the third quarter.

Sustainability Governance

Rainbow Tourism Group remains dedicated to conducting business ethically and responsibly in all its business operations. The Group upholds the values of transparency, clear communication, and accountability in interaction with stakeholders such as guests, investors, staff, local communities and suppliers. The Board of RTG has oversight of the Group's sustainability governance and commitments through the Marketing, Communications and Strategy Board Committee.

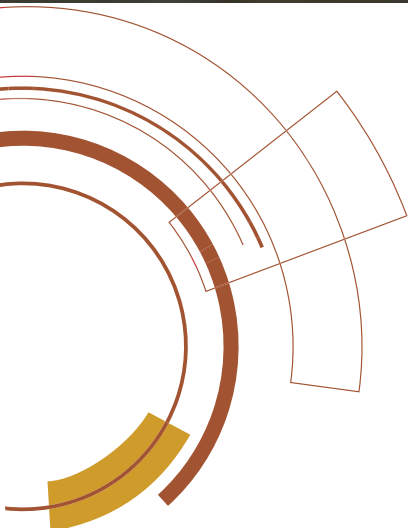
The Marketing, Communications and Strategy Board Committee is dedicated to meticulously identifying, evaluating, and effectively managing the Group's impacts on economic, environmental, and social issues. The Committee is responsible for assessing and assisting in the development of innovative strategies, and implementation of sustainable practices across our operations. Moreover, the Committee oversees the monitoring and evaluation of sustainability data collection systems to ensure the accuracy, quality, and reliability of the information gathered. Every quarter, management prepares a sustainability report which is presented to the Committee and subsequently to the Main Board. The sustainability report places specific focus on the three pillars, Environmental, Social and Governance.

Management and the Board of RTG are deliberate in embedding sustainability governance in decision-making. By integrating sustainability into our operational decision-making and overarching business strategy, RTG proactively identifies potential risks and opportunities. Our sustainability framework is crafted to mitigate negative impacts and associated costs on our business and stakeholders, with significant emphasis on environmental and societal factors. We aim to achieve a harmonious equilibrium between economic aspects and social responsibility by prioritizing sustainable practices and initiatives. This sustainability governance empowers the Group to generate enduring value while championing a positive influence on the environment and society.



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Our Impacts

The Group is committed to upholding the highest standards of business ethics and compliance. We strive to conduct all aspects of our business responsibly and ethically, ensuring that every decision aligns with our core values and legal obligations. Compliance with corporate governance principles establishes a foundation of transparency, integrity, and responsible business conduct, safeguarding our reputation and minimising the risk of penalties and legal consequences. Neglecting these objectives can result in a negative reputation, loss of business, and potential financial repercussions. Therefore, consolidating our efforts in business ethics and compliance is essential for maintaining a competitive edge, fostering trust among stakeholders, and ensuring long-term success for the Group.

How we Promote Business Ethics

We have taken several actions to ensure compliance, including adopting the National Code on Corporate Governance and complying with the Companies and Other Business Entities Act and Zimbabwe Stock Exchange Listing Rules. Our Articles of Association, Code of Ethics, Code of Conduct, Business Operating Procedures (BOPs) and General Operating Procedures (GOPs) provide clear guidelines for ethical conduct and governance within the Group. To monitor and maintain compliance, we regularly prepare monthly compliance reports, conduct compliance audits, and perform internal and external audits to assess our adherence to regulations. We conduct business reviews to evaluate our overall governance practices. These measures help us identify any areas of improvement and ensure that we are operating within the boundaries of the law.

Evaluation

Our goal is to achieve 100% compliance with all corporate governance principles. To measure our progress, we use key performance indicators such as penalties resulting from non-compliance and rate of litigation. Through engagement with stakeholders, such as the Zimbabwe Stock Exchange, we actively seek feedback and recommendations to improve our governance practices. This collaborative approach helps us identify areas of improvement and ensures that we are effectively managing our compliance obligations.



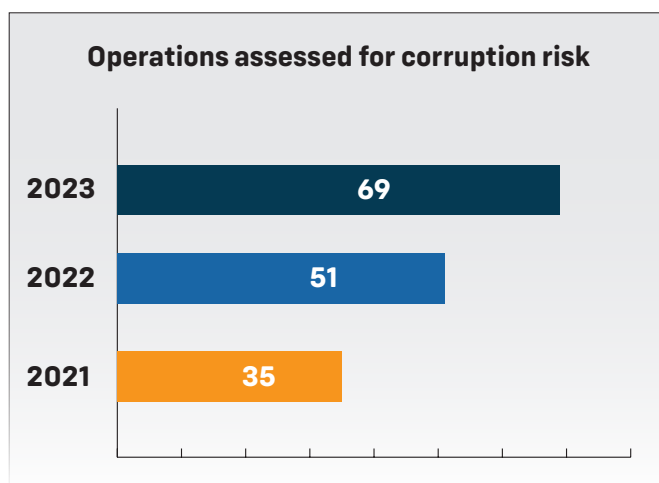
ANTI-CORRUPTION

As Rainbow Tourism Group, we are committed to addressing anti-corruption and managing corruption risks such as bribery and extortion in various aspects of our operations, including procurement and employment. We recognise the importance of fostering transparency and trust, promoting economic growth, and enabling fair competition as positive impacts of our anti-corruption efforts. However, we acknowledge the potential negative impacts, such as the high cost of compliance, resistance to change among associates, unintended consequences, and bad publicity. It is our responsibility to address any challenges and continue our efforts to stop corruption while mitigating the associated risks.

We implemented policies and commitments, including anti-corruption programs, codes of conduct, and a compliance management program. In addition, our commitments include a dedication to thoroughly investigate and report all instances of corruption, as well as the discipline of any officials found to be engaging in corrupt activities. To effectively manage anti-corruption and its related impacts, the Group implemented a range of actions, including our commitment to an anti-corruption culture and conducting thorough risk assessments. Further, we established clear success metrics, put in place robust measurement and monitoring procedures, and we are dedicated to a strong legal framework, and empowering our employees to prioritise openness.

Rainbow Tourism Group implemented a comprehensive system to track the effectiveness of our actions in managing corruption risks. Our processes include conducting internal and external audits, corruption risk assessments, monitoring and evaluation frameworks and indicators for reporting. These processes help us ensure that our actions are effective and aligned with our goals which are zero tolerance on corruption, risk reduction and monitoring progress, and setting targets for risk reduction. Our targets include reducing corruption incidents to a targeted number, which serves as a measurable indicator of our progress. The Group uses key performance indicators such as compliance rate, corruption perception index and number of reported incidents to evaluate the effectiveness of our actions. RTG engages with stakeholders to gather diverse perspectives, foster transparency, detect corruption, and make informed adjustments to our anti-corruption efforts. We incorporated lessons such as conducting thorough corruption risk assessments and implementing mechanisms to monitor compliance and detect corruption.

The Group assessed the following operation for risks related to corruption:

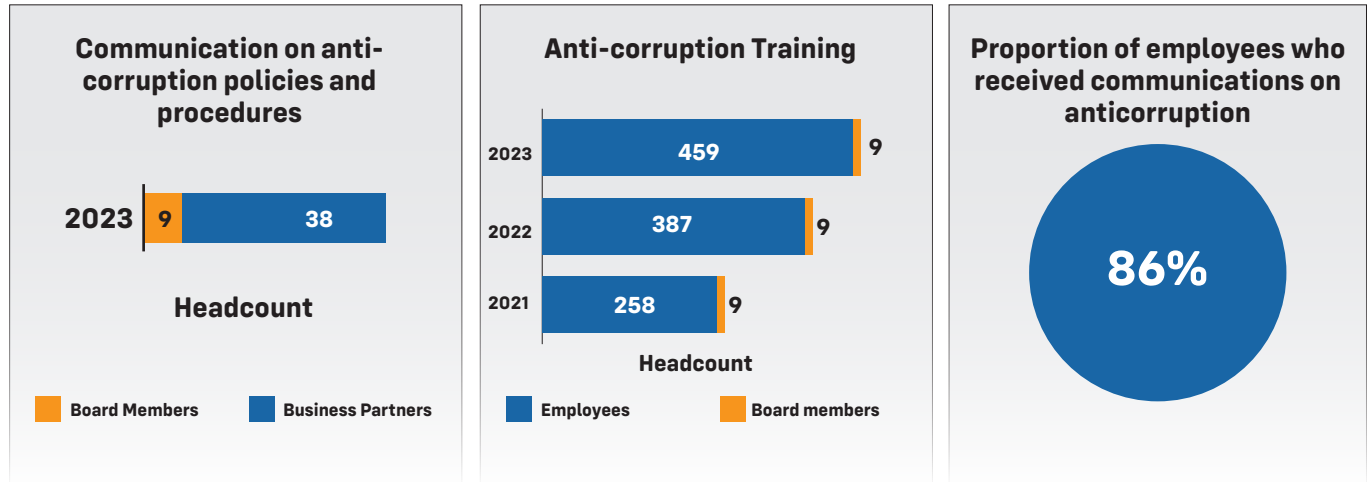


Significant corruption risks identified:

Specific external and internal audit investigations often focus on assessing whether certain operations within the Group have any corruption risks. For the period under review, no significant corruption risks have been identified.

Training on Anti-corruption

For the reporting period, the following trainings were conducted:



The Board is consistently trained on issues of corruption, and they supervise and monitor the management on corruption issues. Employees receive corruption training through 15-minute daily sessions and staff general meetings. This information is documented and filed at the business units.

Human Rights

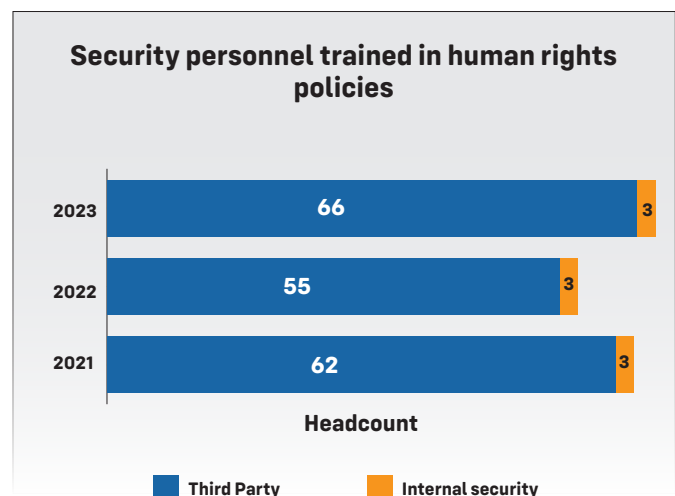
Human rights serve as a safeguard against discrimination and uphold principles of equality and well-being. We acknowledge the existence of both positive and negative effects of human rights resulting from our operations. Positive impacts include strong business performance, increased productivity, positive relationships with stakeholders and enhanced brand visibility. However, potential negative impacts such as discrimination, marginalisation and social exclusion may arise. To address these impacts, the Group actively participates in the development of regulatory principles, supports initiatives, and advocates for human rights through campaigns and lobbying endeavours.

We are committed to actively involving stakeholders, raising awareness, and implementing policies to ensure effective human rights management throughout our operations. We conduct employee engagement programs and encourage employee participation in human rights-related initiatives to prevent potential negative impacts. Training programs are provided to ensure employees understand human rights and their consequences.

The Group assesses the effectiveness of its actions through internal and external audits, employee feedback, and stakeholder engagement programs. Goals are set to increase employee participation in human rights advocacy, with specific targets for active involvement. Key performance indicators, such as guest feedback analysis and stakeholder feedback reports, are

utilised to evaluate the effectiveness of implemented actions. The actions undertaken by the Group have proven highly effective, with no reported instances of employee rights violations. External consultancies have been involved in evaluating the impact of human rights aspects on employees, contributing to advancements in this area. Insights gained from these processes have been integrated into operational policies and procedures, recognising the interconnectedness of human rights and employment rights within the Group's Code of Conduct.

Our security personnel have received training in human rights procedures to ensure the avoidance of any infringements when delivering services.



DIVERSITY, EQUITY, AND INCLUSION (DEI)



As RTG, we recognise the significant value of Diversity, Equity, and Inclusion (DEI) in driving our success and creating a positive impact. By promoting a culture that fosters fairness and accessibility, we strive to ensure that everyone within the Group has the chance to thrive and contribute their unique perspectives and talents. It helps us cultivate a positive image in the market, positioning us as an inclusive and forward-thinking Group. This, in turn, attracts a diverse clientele who appreciate our commitment to fairness and inclusivity. However, we acknowledge that implementing a DEI strategy may present challenges. It requires addressing stakeholder adjustments, including overcoming communication barriers, and combating social discrimination. To address these challenges, we are dedicated to providing comprehensive trainings and effective communications to all stakeholders, ensuring that they understand and embrace our DEI strategy.

In terms of recruitment, we prioritise the selection of candidates based on merit, irrespective of their background. We seek to attract talented individuals from minority groups and provide them with equal opportunities for growth and advancement within the Group. Additionally, we support attachment programs with a priority on minority candidates based on their merit, enabling them to gain valuable experience and contribute to our success. Rainbow Tourism Group upholds a Recruitment and Promotion Policy that strictly prohibits any form of discrimination against members based on their inability or disadvantage. We conduct trainings and awareness programs to promote a culture of inclusivity and educate employees on the importance of diversity, equity, and

inclusion. These initiatives aim to foster an environment where all variables, including language, disability, and gender, are valued, and embraced. We emphasise the use of a Code of Conduct that explicitly addresses any form of discrimination. This code serves as a guideline for our employees, ensuring that they understand the importance of treating all individuals fairly and respectfully.

We implemented various measures to effectively evaluate the impact of our training programs. This includes gathering employee feedback through works councils, engagement forums, and other channels. Conducting root cause analysis helps us identify the underlying factors that may hinder diversity, equity, and inclusion (DEI). In addition, we regularly perform internal and external audits to ensure compliance with DEI standards and identify areas for improvement. Our primary goal is to cultivate a workplace culture that promotes DEI and enhances productivity. Key performance indicators, such as the ratio of minority group employees to the total employees and age-gender analysis, are used to monitor our performance and track our progress towards these targets. We observed an increase in business from minority group organisations, which indicates the success of our DEI initiatives. Moreover, we achieved our target of recruiting 1% of minority individuals in the previous fiscal year. It is important to note that our approach to DEI is focused on providing equal treatment rather than special treatment or sympathy to the minority group. We recognise that they are a sensitive group that requires careful and considerate handling.



CYBERSECURITY AND DATA PRIVACY

In today's digital landscape, our clients are increasingly concerned about the security of their personal information. Implementing cybersecurity measures can yield significant benefits which increases customer trust and loyalty as well as contributes to enhanced reputation and brand value. Additionally, proactive cybersecurity efforts help reduce the likelihood of security incidents, minimising potential reputational damage and financial losses.

In 2023, RTG initiated the certification process for ISO 27001:2022, the Information Security Management System and ISO 22301:2019, the Business Continuity Management System. The Company is scheduled to undergo the full certification for these 2 standards in 2024. This demonstrates a commitment to comprehensive and structured approaches to managing information security and business continuity. Data protection is a top priority for the Rainbow Tourism Group, and we emphasise transparency in data profiling practices. RTG enhances guest experience by ensuring secure technology, this includes implementing secure systems and processes to protect guests' data and ensure privacy. Periodic cybersecurity awareness trainings are conducted to keep employees informed about the latest threats and best practices for maintaining a secure environment. Periodic internal and

external audits are conducted to assess compliance and identify areas for improvement. External vulnerability assessments and penetration tests (VAPT) audits are performed to uncover potential vulnerabilities and strengthen the security posture. To promote cybersecurity, the Group conducts employee training programs, ensuring that they are knowledgeable about best practices and potential risks.

The Group made progress towards its cybersecurity goals and targets. Positive feedback from employees regarding awareness trainings indicates that the Group is successfully promoting a culture of security awareness. Improved and secure operating environments are reflected in positive and improved guest feedback, demonstrating an enhanced level of guest trust and confidence. Quarterly cyber-risk Board updates help track progress and identify areas that require attention, such as infrastructure updates, regular system audits, and penetration testing.



FOOD QUALITY AND SAFETY

RTG places a strong emphasis on food safety and quality, therefore, we ensure that food served is safe for consumption, creating a favourable dining experience, enhancing brand reputation, and complying with regulations. However, we are aware of potential negative impacts such as litigation, and damage to brand reputation, which can arise from lapses in food safety and quality. To mitigate these risks, we actively implement safety protocols, provide employee training, and maintain strong supplier relationships.

As a ZWS ISO 9001:2015 certified Group, we established policies, systems, and processes to ensure the highest standards in food safety and quality management. These policies provide a framework for our commitment to maintaining safe and high-quality food throughout our operations. RTG conducts monthly hygiene audits across its entire food production value chain, including receiving bays, storage areas, food preparation areas, and handling procedures. These audits help identify and address any potential risks or issues related to food safety and quality. Additionally, the Group ensures that all food handlers possess the necessary certifications and regularly undergo refresher training to stay updated on best practices and regulations. RTG conducts supplier evaluations and audits to ensure that its suppliers adhere to stringent food safety standards, this helps maintain a reliable and safe supply chain.

The Group utilises several processes to track the effectiveness of its actions in managing food safety and quality. Monthly internal and independent hygiene audits are conducted to assess the implementation and impact of measures. The Group prioritises guest feedback through guest satisfaction surveys and continuously seeks ways to improve its processes and offerings to further enhance the positive impacts associated with food safety and quality. We have set specific goals and targets, such as achieving a 90% hygiene quality index and an 85% guest feedback review rating, which serve as indicators of progress. Lessons learned from monitoring and stakeholder engagement have been incorporated into operational policies and procedures, ensuring a zero-tolerance approach towards non-compliance, and maintaining the highest standards. Regular meetings with stakeholders, including employees, third-party service providers, and licensing bodies, contribute to informed decision-making and foster a culture of continuous improvement.

GUEST SAFETY AND PRIVACY



The Group takes pride in maintaining a strong and trustworthy reputation, offering a safe and secure environment for all. We strive for repeat business and to maintain high occupancy rates through positive publicity. In the event of emergencies such as fire outbreaks, disease outbreaks, thefts, bomb threats, or armed robberies, we have various measures to ensure the safety of our guests and employees. These include the deployment of security personnel, adherence to safety policies, conducting emergency evacuation trainings, establishing safety teams, and conducting thorough induction programs for guests, suppliers, contractors, and new employees. We have CCTV cameras and implemented panic button solutions and access control systems to further enhance security measures. Periodic safety meetings are conducted to discuss and address any safety concerns or potential risks. Regular safety audits and conversations are carried out to identify areas that require improvement and to ensure compliance with safety standards.

We prioritise hazard and risk control by identifying potential risks, monitoring, and reporting them regularly, and conducting thorough examinations and analysis. In the event of identified risks, investigations are conducted to determine their causes, and appropriate solutions are implemented to prevent their recurrence. We conduct periodic inspections to assess the functionality of safety management equipment. Our commitment to providing a safe and secure environment for all clients and employees is unwavering. To achieve this, we have set specific targets, including 100% compliance with fire, life, and safety standards, as well as 100% protection of our property.

Safety is a priority, as such, over 200 employees received quarterly training on emergency evacuation procedures, and over 150 employees undergoing bi-annual accident prevention training. This investment in staff and guest awareness has yielded positive results, as evidenced by successful fire incidents being swiftly extinguished by our well-trained employees. Engagements with the National Social Security Authority (NSSA) and the Fire Brigade greatly contributed to the improvement of our safety practices. We continuously review and adapt our policies to cater to any changes that may occur, ensuring that our guests and employees benefit from the most effective safety measures.

COMPLIANCE STATEMENT

The Directors of the Group bear the responsibility of ensuring adherence to all relevant laws and regulations. The Group effectively manages compliance matters through the submission of quarterly reports on compliance and corporate governance, as well as by conducting internal and external audits. Throughout the year, significant efforts were made by the Group to ensure compliance with the following:

- The Companies and other Business Entities Act [chapter 24:31].
- SI134 of 2019 Securities and Exchanges (Zimbabwe Stock Exchange listing Requirements) Rules.
- Tourism Act [chapter 14:20].
- Regional, Town and Country Planning Act [chapter 29:12].
- Public Accountants & Auditors Board Zimbabwe (PAABZ) – Pronouncements.
- Exchange Control Act [chapter 22:05].
- Consumer Protection Act [chapter 14:44].
- Labour Act [chapter 28:01].



RISK MANAGEMENT

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ENTERPRISE RISK MANAGEMENT

Rainbow Tourism Group acknowledges the importance of a comprehensive enterprise risk management framework to ensure the efficient functioning of our business operations and the achievement of our corporate objectives. To achieve this, we implemented a dynamic enterprise risk management framework that guides our risk identification and mitigation strategies. Our framework is guided by the following steps:



Approach to Financial Risk

We take a proactive approach to managing financial risks to protect the Group and our stakeholders. Our focus on sound financial management has enabled us to navigate challenges and put mitigation measures. RTG understands the importance of controlling key factors such as cash flow, liquidity, bad debts, and statutory payments to minimise financial consequences. The Group closely monitors these factors to ensure that it is aware of its financial position and make informed decisions accordingly. In addition, we keep track of loan default risks and track the going concern risk to ensure that we are prepared for any potential risks that may arise. This allows us to address and minimise potential risks on our business.

Significant risks identified during the reporting period were as follows:

RISK CATEGORY	DESCRIPTION	MITIGATION MEASURES
Financial	The Group faces risk from liquidity exposures, loan default, supply chain dynamics, statutory compliance, and cost structure.	Strategies and controls are constantly reviewed and monitored through budgetary and board oversight reviews.
Commercial	The competition environment poses a risk of underperformance that could adversely impact brand and revenue generation.	Establishing a revenue generation strategy that is not impacted by competition.
Operational	The potential risk of customer dissatisfaction from the services we offer.	Closely monitoring guest satisfaction through various channels such as the guest satisfaction index and reviews of customer complaints to quickly identify and address any issues
Human resources	There are potential risks involved with employees leaving the Group or not performing up to the expected standards, which could result in the failure to meet corporate objectives.	Robust human resources policies and procedures to ensure that employees are equipped with the right attitude and skills to provide the best services to the Group.

SUSTAINABILITY-RELATED RISKS MANAGEMENT

As Rainbow Tourism Group we are committed to integrating sustainability into our core operations to effectively manage sustainability risks. To achieve this, we embedded our approach into our comprehensive Enterprise risk management framework that encompasses Environmental, Social, and Governance (ESG) considerations. This involves conducting regular sustainability risk assessments to identify, analyse and mitigate potential impacts on the environment and local communities, such as resource depletion, waste management, and social equity issues. Additionally, we recognise the significance of aligning our strategies with global sustainability standards and frameworks to monitor progress and drive continuous improvement in sustainability performance. We adopt sustainable business practices and foster a culture of sustainability to enhance resilience and ensure long-term sustainability while fulfilling our commitment to environmental responsibility.

Our sustainability risks were as follows:

RISK CATEGORY	DESCRIPTION	MITIGATION MEASURES
Occupational Health and Safety	Risks associated with health pandemics or inadequate safety measures can affect both guests and employees.	Establishing health and safety protocols, provide training for employees, and maintain high standards of hygiene and cleanliness.
Regulatory Compliance	Failure to comply with environmental and social regulations can result in legal penalties and loss of operating licenses.	Regularly update compliance programs, conduct internal audits, and engage with regulatory bodies to stay informed of changes in laws and regulations.
Reputational	The potential risk of reputational damage if there are unethical business practices, such as corruption, bribery, or lack of transparency,	Establishing and enforcing a strong code of conduct, implement anti-corruption measures, and ensure transparent decision-making processes. Providing regular ethics training for employees and establish clear whistleblowing procedures to identify and address any misconduct.
Environmental	The risk of our operations and development activities impacting local ecosystems and biodiversity, leading to biodiversity loss and ecosystem degradation. The potential risk of overuse of water, energy, and other natural resources can lead to scarcity and increased costs.	Assessing and mitigating our impact on local ecosystems, supporting biodiversity conservation initiatives, and implementing sustainable landscaping practices Implementing water-saving technologies for example rainwater harvesting systems. Investing in energy-efficient appliances, lighting, and transition to renewable energy sources like solar and wind. Promoting sustainable practices among guests and employees.

Internal controls setup to enhance sustainability reporting.

Rainbow Tourism Group implemented internal controls to enhance the credibility and integrity of its sustainability reporting. Our controls are designed to ensure accurate, reliable, and transparent sustainability information. We established standard procedures for collecting data, which are consistently followed to maintain consistency and accuracy. Our data is validated through, cross-checking against reliable sources, and we conduct regular internal audits and reviews to assess the effectiveness of our controls, identify areas for improvement, and promptly address potential risks or discrepancies. These measures strengthen our commitment to sustainable practices and transparent reporting.



The Corporate Affairs and Quality team met Chief Wezhira of Sanyati to discuss afforestation and reforestation initiatives.

SUSTAINABILITY

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OUR STRATEGY

We prioritise corporate sustainability as a crucial part of our responsible business practices. This is rooted in our values and shapes our approach to sustainability. We have policies and practices to guide our sustainability efforts, focusing on the economic, environmental, and social impacts of our business. We recognise the growing demand for eco-friendly hotels from both international and domestic guests. This has inspired us to integrate sustainability into our overall business strategy. We aim to meet the expectations of environmentally conscious guests by implementing sustainable practices throughout our operations. Our goal is to ensure a balance between profitability, environmental preservation, and social well-being. We continually assess our operations to find ways to be more resource-efficient, reduce waste, support renewable energy, and engage with local communities. By doing so, we aim to be a responsible and sustainable leader in our industry.

Sustainable Business Practices

Rainbow Tourism Group places great importance on sustainability and strives to be a responsible Group that creates value through excellence and sustainable business practices. Our primary objective is to provide exceptional and memorable experiences to our stakeholders and guests through our refreshing hotels. We are committed to delivering on our service promise of "Fresh Smile, Fresh Food, , and Fresh Pillow" by upholding ethical business conduct and embracing sustainable practices. As evidence of our dedication to quality, we are certified to the ZWS ISO 9001:2015 - Quality Management System. This certification ensures that we maintain rigorous quality standards across all aspects of our service delivery, including food quality and safety, security, hotel room standards, and overall business operations.

Our sustainability approach enables us to "Green our Hotels" by identifying and addressing risks and opportunities associated with climate change, electricity consumption, water usage, waste management, and other supporting operations. We established policies, procedures, and values to monitor and respond to sustainability concerns effectively.

STAKEHOLDER ENGAGEMENT

Our approach to stakeholder engagement involves assigning responsibility for engagement to each department within the Group. Department heads are expected to interact with stakeholders they work with and report any concerns to senior management. Senior management then evaluates and develops solutions to address stakeholder expectations. We analyse the outcomes of stakeholder engagement to identify potential risks and opportunities. Our engagement strategy includes both direct and indirect activities.

We use stakeholder mapping analysis to assess the level of influence, interest, and impact that each stakeholder has on our business. This helps us prioritise our engagement efforts and determine which stakeholders require more attention.

Stakeholders and their Categories

For the reporting period, stakeholders were identified based on their level of influence over the Group and those who define the business operating environment.

The stakeholders were categorised into:

 INTERNAL	 EXTERNAL
• Employees • Management • Board of Directors	• Suppliers • Government • Customers • Shareholders • Media • Communities • Regulatory Authorities

STAKEHOLDER ENGAGEMENT ACTIVITIES

Our stakeholder engagement for the year is below:

STAKEHOLDER	ISSUES RAISED	MITIGATION MEASURES	COMMUNICATION CHANNELS	FREQUENCY OF ENGAGEMENT
Employees	» Job security and stability. » Fair remuneration. » Fair employment practices.	» Employee retention initiatives. » Implementation, review, and monitoring of Human Resources policy and procedures.	» Physical and virtual meetings. » Bulletins and newsletters. » Works council meetings.	» Monthly » Quarterly » Ad hoc
Customers	» Quality of products and services. » Data privacy and security. » Service excellence.	» Adherence to ISO quality standards. » Robust cyber security systems.	» Online and direct guest interface. - Regular contact with guest relations teams.	» Daily » Weekly » Monthly
Government and Regulators	» Compliance with legislation. » Taxation and reporting.	» Adherence to laws and regulatory requirements. » Timely remittances of all statutory obligations.	» Meetings. » Industry and statutory forums.	» Ad hoc » Annually » Periodic
Shareholders and Potential investors	» Return on investment. » Business growth and opportunities. » Dividends. » Risk management.	» Business growth and strong performance. » Dividend declaration. » Risk assessment and mitigation. » Compliance with corporate governance standards. » Corporate governance and ethical leadership.	» Board meetings. » Annual reports. » Annual General Meetings.	» Quarterly » Annually
Suppliers	» Timely payments. » Fair and transparent business practices.	» Service level agreements. » Supplier evaluations.	» Meetings. » Telephone. » Emails.	» Daily » Ad hoc
Communities	» Environmental and social responsibility. » Employment creation.	» Implementation of corporate social investment strategy. » Prioritisation of local communities.	» Meetings. » Telephone. » Emails.	» Ad hoc
Media	» Timely, honest transparent communication. » Responsible business practices.	» Media briefings and press releases. » Responding to all queries that may question our practices.	» Meetings. » Press conferences and press releases. » Telephone.	» Quarterly » Ad hoc
Industry	» Fair pricing. » Knowledge sharing.	» Participation in National Employment Council meetings and industry forums.	» Meetings. » Telephone. » Emails.	» Quarterly » Ad hoc

SUSTAINABILITY MATERIALITY ASSESSMENT

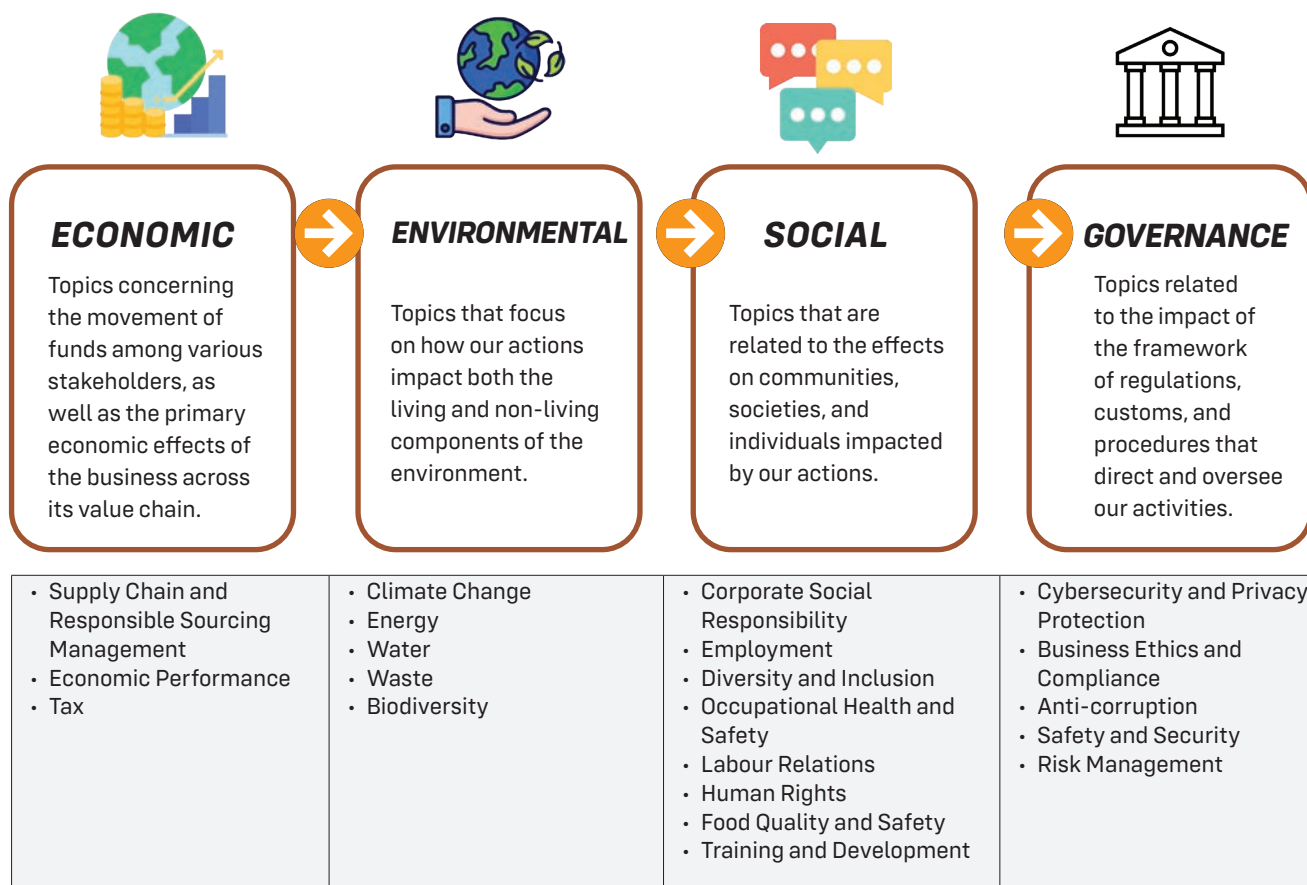
Rainbow Tourism Group's approach to sustainability reporting is built on a materiality process that helps to identify the most important topics and issues related to our operations across economic, environmental, social, and governance aspects. We conduct this process annually, using the Sustainability Accounting Standards Board (SASB) for sector specific indicators, the Global Reporting Initiative (GRI) Standards and benchmarking with other international hospitality players to ensure our reporting is responsive to issues in the hospitality industry. The management team plays an essential role in determining the most significant aspects for each reporting period. The Group uses a combination of methods that includes surveys and desktop research to identify and select the final material topics for reporting. This integration helps us gather comprehensive and accurate data to inform our sustainability reporting.

The materiality process for FY2023 was conducted as follows:



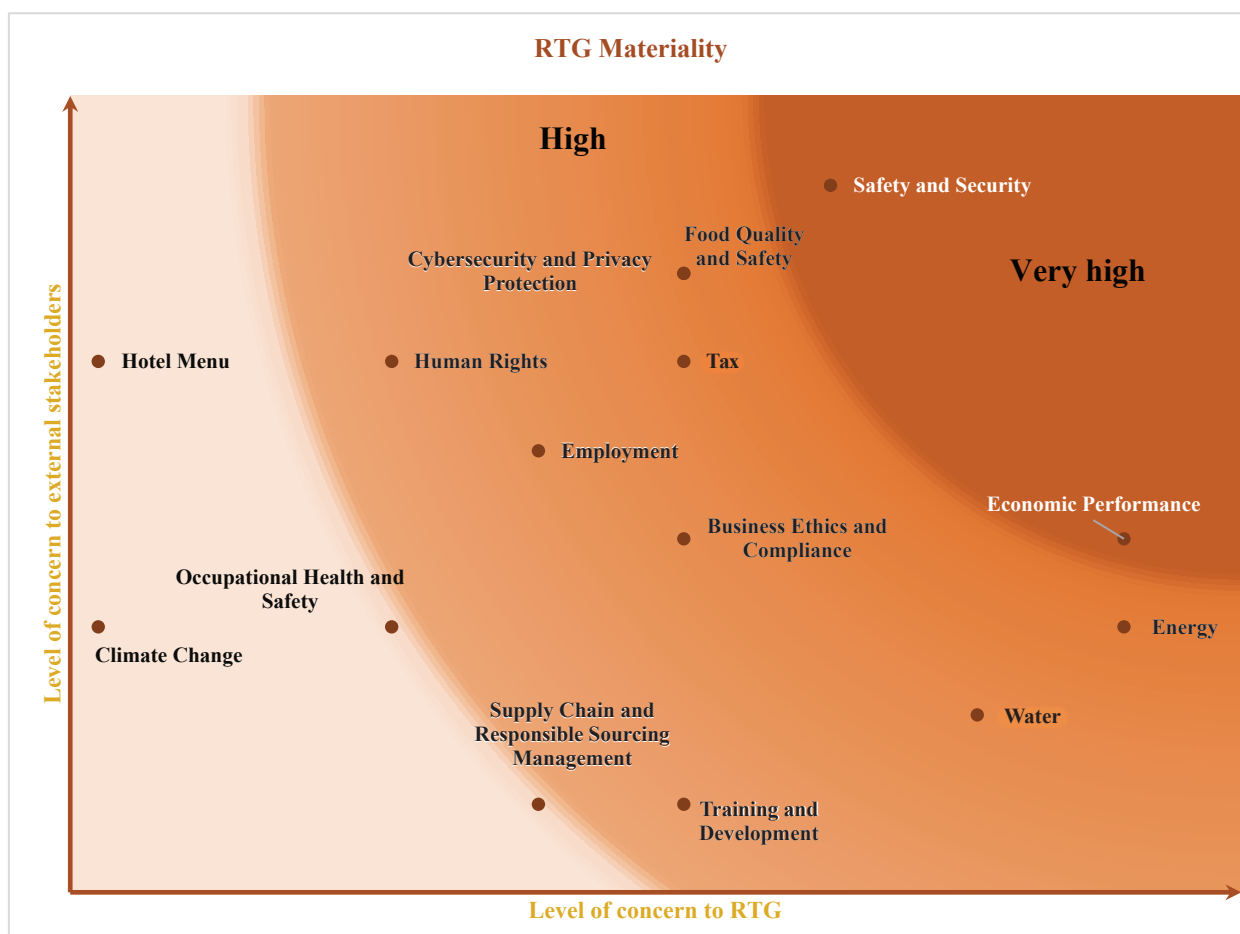
Material Topics

Our material topics were categorised into economic, environmental, social and governance topics as presented below:



MATERIALITY MATRIX

The matrix presented in the scatter graph below represents the results of issues identified and prioritised based on their importance to the Group and their potential influence on stakeholder decisions. The issues are plotted on the priority of the total number of topics surveyed which were narrowed to the top fifteen (15) topics.



The key below explains the categorisation of material topic in the matrix above:

Very High – reflects those topics which are considered of significant interest by the Group and shareholders, reflect both potential risks and opportunities for Rainbow Tourism Group.

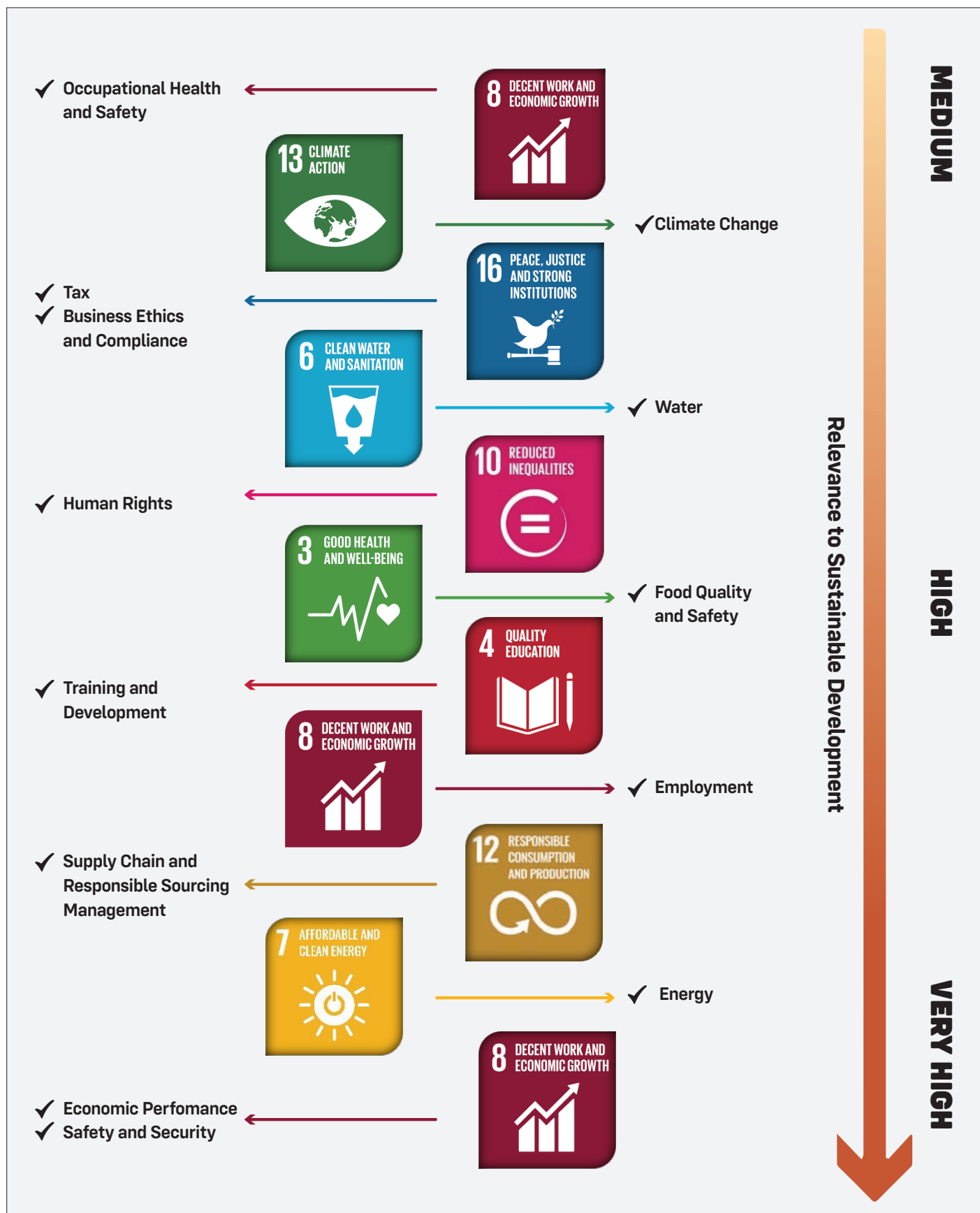
High – reflect areas where measures have been implemented to manage the impacts, while ongoing efforts are being made to introduce further improvements.

Moderate – reflects areas where the Group has invested significant effort to address them.

For the period under review, the following topics were identified as the most significant for both business and stakeholders:

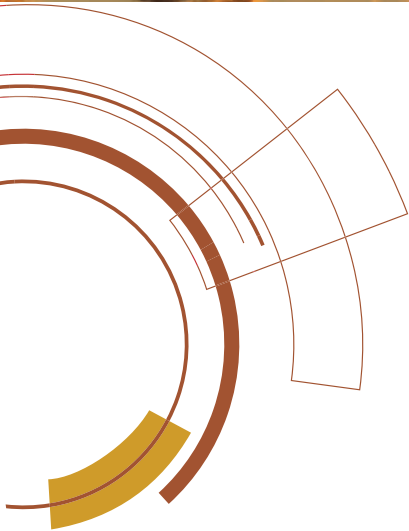


MATERIALITY LINK TO SDGs





Sunrise over the mighty Zambezi River at A'Zambezi River Lodge



SUSTAINABILITY IN OUR HOTELS

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ENERGY



Our Impacts

Rainbow Tourism Group demonstrated a proactive approach to managing its energy consumption and environmental impact. The Group installed a solar system that is contributing over 230,000 kWh to the national grid, showcasing its commitment to renewable energy generation. This investment has helped provide an uninterrupted supply of energy to guests, addressing their needs and expectations and contributing to the reduction of cost for that hotel. The Company will roll-out similar projects across the Group.

Energy Conservation Measures

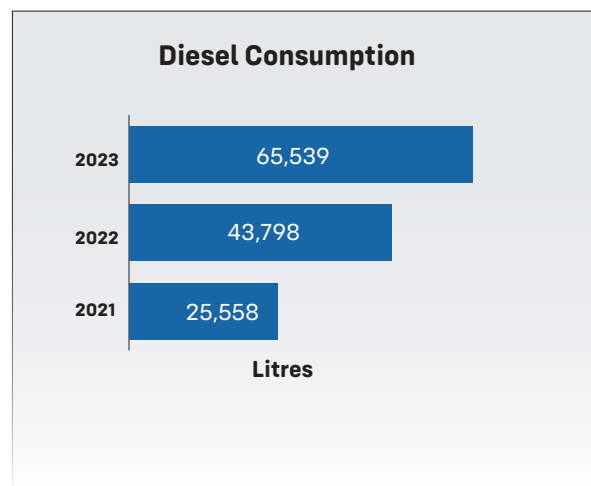
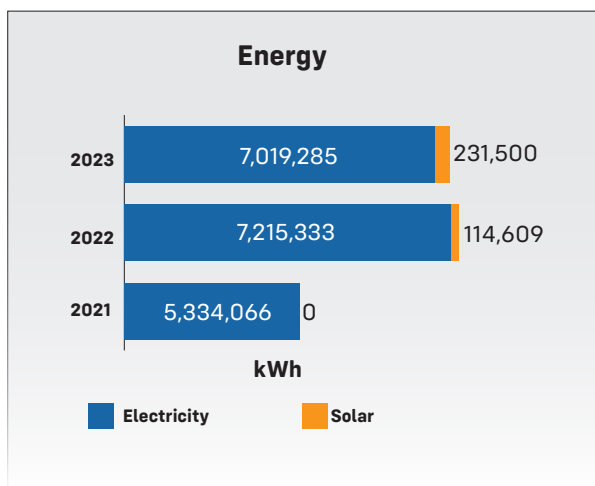
Our approach to energy management is guided by the commitment to reducing energy consumption and leveraging alternative renewable sources to mitigate the depletion of the ozone layer. The introduction of solar energy has been a significant step towards this goal, as it helps to reduce the negative environmental impacts. Additionally, RTG closely monitors energy usage and promptly attends to any faulty equipment to optimise efficiency. The Group avoids conducting high-energy-intensive activities during peak periods, thereby managing the strain on the grid. RTG replaces outdated and energy-intensive equipment to decrease overall energy consumption.

Energy Monitoring System

We are working towards improving energy efficiency across all operations. The progress made thus far includes the installation of a solar system at the Kadoma Hotel and Conference Centre, which has provided valuable insight and lessons to guide the rollout of future renewable energy initiatives. RTG documented the learnings from the Kadoma Solar project, and is leveraging input from technical and specialist suppliers, to refine and expand its green energy strategy going forward.

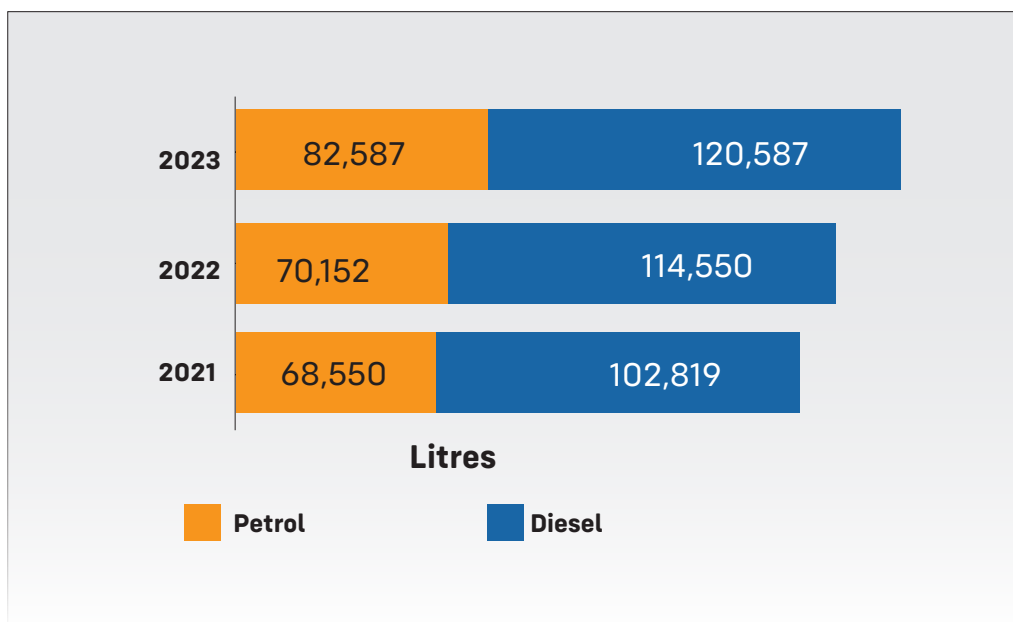
Energy Consumption

Our energy consumption for the business operations was as follows:



Energy outside the Group

Energy consumed outside the Group relates to petrol and diesel used for distribution and service delivery outside the Group's operational premises. Consumption for the period is below:



WATER



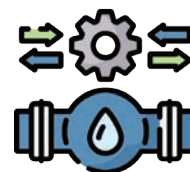
Our Impacts

Water management is a significant aspect of sustainable and responsible business practices, as access to clean and reliable water resources is essential for socio-economic development and environmental preservation. However, the cost of water, especially municipal water, has a significant impact on profitability. Lack of water can also affect the ambiance and overall appearance of the hotels. Further, the waste generated by the hotels and discharged into municipal systems may ultimately end up in water bodies, contributing to negative environmental impacts. To address these concerns, the Group's waste water management strategy focuses on measures to reduce costs while also ensuring the sustainable use of water.



Water Conservation Measures

RTG is committed to maintaining clean water bodies around its operations and ensuring it does not contribute to the contamination of water. To achieve this, the Group implemented a water management strategy that involves redesigning irrigation systems, promptly addressing any leakages, and drilling boreholes at its A 'Zambezi River Lodge and Victoria Falls Rainbow Hotel to reduce reliance on municipal water supplies and associated costs. Additionally, RTG has a planned maintenance program to minimise water loss due to aging or dilapidated infrastructure. Through these efforts, RTG aims to optimise its water usage, mitigate environmental impacts, and achieve sustainable water management practices across its operations.

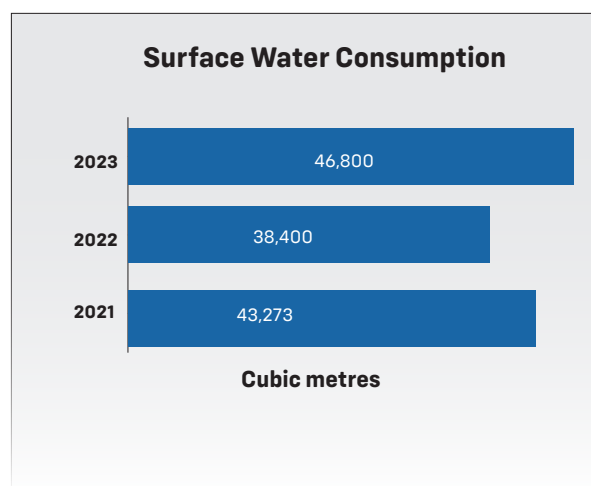
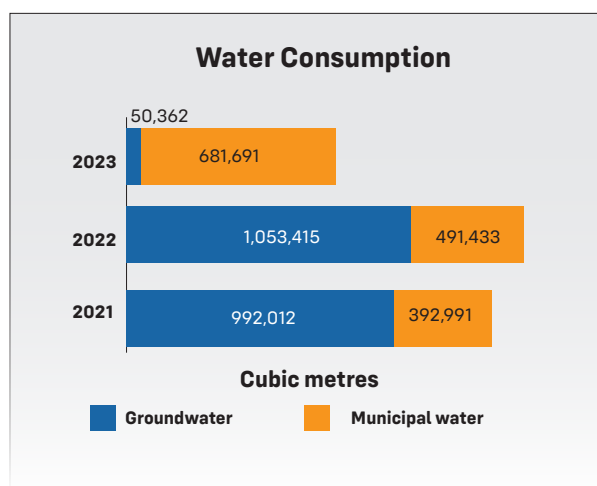


Tracking System

Constant periodic property audits and consistent monitoring of consumption patterns assist in tracking the effectiveness of our efforts to manage water use across the business. The Group sets clear goals to improve the efficiency of water usage in all operations, with a specific target to reduce water consumption by 2%. Key performance indicators focus on periodic monitoring of water consumption, which allows RTG to assess the effectiveness of its actions by tracking consumption against occupancy and other business activities. The progress made so far includes the drilling of boreholes and installation of water purification systems at some properties, with similar initiatives being implemented at the remaining locations.

Water Consumption

Our water consumption mainly relies on underground water sources.



RESPONSIBLE SOURCING

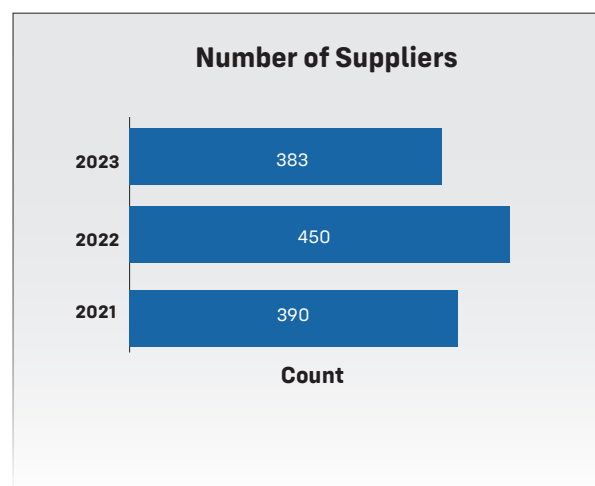
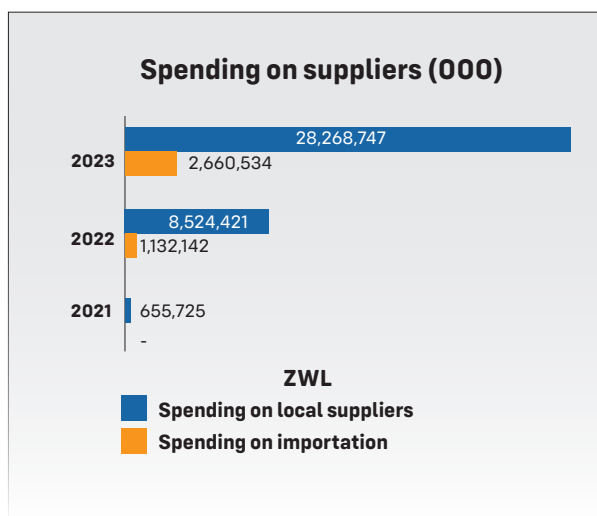


Rainbow Tourism Group is committed to protecting the Group's interests, particularly on quality management, to fulfil its objectives. The Group ensures that products are obtained from reliable sources to secure affordable options and achieve the desired profitability. We uphold our values, including integrity to prevent the risk of a negative public reputation.

We established policies and commitments to manage our supply chain and ensure responsible sourcing practices. The Group's policies include a strong focus on quality, as outlined in the Company Quality Policy, as well as adherence to Best Operating Practices (BOPs). We are dedicated to thoroughly screening and reviewing suppliers, evaluating not only the quality of their products but also their environmental practices. The Group conducts quality checks upon product delivery to uphold its high standards. RTG performs due diligence on suppliers, requesting key documents and conducting on-site inspections of their premises. Our actions are geared towards sourcing quality products at the lowest possible cost and ensuring consistent, timely provision of requirements from the operations department.

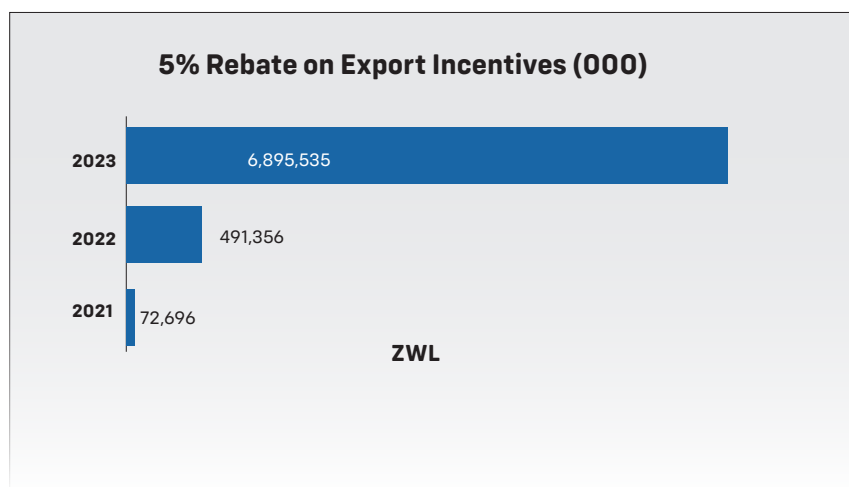
Processes such as internal and external audits, as well as regular supplier performance reviews, assist the Group to monitor the effectiveness of our actions. We integrated valuable insights gained from our experiences, including the significance of conducting on-site supplier inspections and conducting thorough price analyses, into our operational guidelines. Moreover, RTG actively collaborates with stakeholders, with a particular focus on customers, to gather feedback and enhance our strategies for managing the supply chain and promoting responsible sourcing.

The Groups' procurement activity for FY23 was as follows:



The increase in business volumes led to a corresponding rise in demand for inventories. To meet this demand, the Group intensified its efforts in importing products that are relatively cheaper to import, such as dry goods, toilet paper, and other guest amenities. The 15% reduction in suppliers is a result of the Group streamlining its supplier base, aiming to work with a smaller, more manageable number of suppliers.

Rebate on Export Incentives



The export incentive rebate increased in line with changes in revenues.



CLIMATE CHANGE AND ENVIRONMENT

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CLIMATE CHANGE



School children participate in the tree planting program in Kadoma

Rainbow Tourism Group planted 6050 trees at 10 schools in Kadoma

As Rainbow Tourism Group, we are committed to addressing the impacts of climate change on our business operations and implement sustainable solutions to mitigate our environmental footprint. We have experienced significant benefits from our efforts to reduce our carbon footprint by installing a solar plant. This has led to a decrease in our reliance on hydro-electric generated power, contributing to a more sustainable energy usage. Additionally, by implementing energy-saving (Light-emitting diode) LED light bulbs across all our hotels, we effectively reduced our energy consumption, leading to cost savings and a positive environmental impact. Further, our afforestation project, which aims to achieve a net-zero position initially for our direct carbon emissions, has resulted in the planting of eucalyptus trees on three hectares of land, demonstrating our commitment to environmental sustainability.

However, we are aware of the negative impacts of climate change on our business operations. For instance, rising temperatures resulted in higher energy consumption for cooling systems, leading to increased utility costs. Additionally, droughts and water shortages have increased the cost of water, which is essential for our hotel operations, while climate change-related disruptions in agricultural production have led to shortages and higher prices, impacting our supply chain. The Group implemented procedures to effectively manage, monitor, and control energy and water consumption within our operations. This allows us to minimise our environmental footprint and contribute to the global effort to combat climate change.

The Group established processes to track the effectiveness of the actions we are taking to reduce the impact of our operations on the environment. This includes conducting daily, weekly, and monthly energy and water usage audits, as well as the production of energy and water usage monitoring reports. Our main goal is to reduce the impact of our operations on the environment. To achieve this, we have set targets such as a 2% waste reduction, sourcing 5% of our energy from renewable sources, and achieving a 2% reduction in overall energy consumption. To assess the effectiveness of our actions, we regularly review usage monitoring reports to track our progress towards our goals and targets. For instance, we are proud to report that renewable energy generated from our Kadoma Hotel and Conference Centre solar plant accounted for 243,174KwH, which is 39% of the total energy consumption for the hotel resulting in cost savings and a decrease in carbon emissions. We are committed to continuously improving our efforts to operate in a sustainable and environmentally friendly manner.

CLIMATE RELATED RISKS

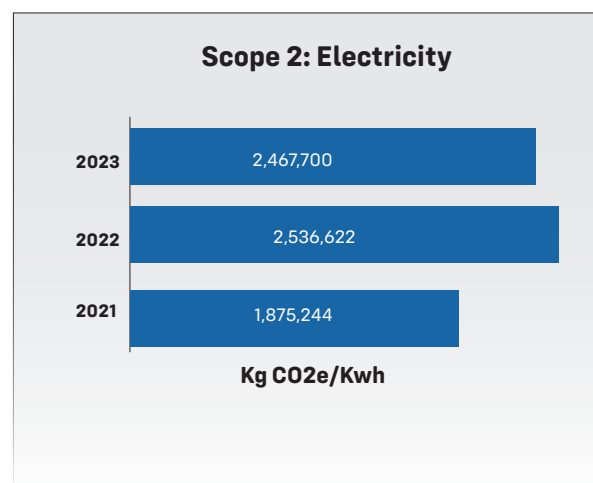
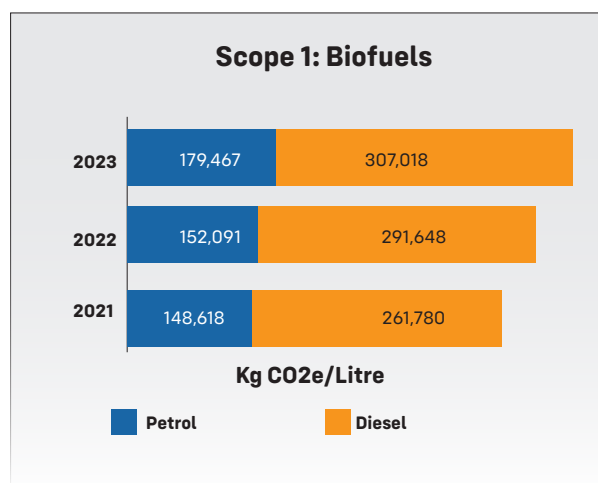
Our climate related risks and opportunities were as follows:

RISK /OPPORTUNITIES	DESCRIPTION	CLASSIFICATION	MITIGATION MEASURES	FINANCIAL IMPLICATIONS
Waste generators	The hotels generate significant amounts of waste, including food waste, and other materials, which lead to greenhouse gas emissions, which exacerbate climate change.	Physical	Increasing recycling and composting efforts, partnering with waste management providers to divert waste from landfills, and implement guest awareness campaigns to promote waste reduction.	It might be costly to setup and run campaigns. Investing in waste management systems, such as recycling programs, involves significant upfront capital expenditure.
Extreme weather	Adverse weather conditions and changing climate patterns can impact tourist destinations, infrastructure distraction and travel patterns.	Physical	Developing climate adaptation strategies, promote eco-friendly tourism, and invest in resilient infrastructure.	The high cost of infrastructure maintenance and revenue loss due to seasonal changes affecting tourist movement.
Energy efficiency and renewable energy	Implementing energy-efficient technologies and increasing the use of on-site renewable energy sources can lead to cost savings and potential revenue generation.	Physical	Increase the use of on-site renewable energy sources for example solar.	High costs of purchasing and setting up solar energy.
Changes in environmental laws and regulations	Potential risks from the shift towards a low-carbon economy, including changes in policies, laws, and consumer preferences.	Regulatory	Monitor and comply with evolving climate-related regulations and policies.	Failure to comply with environmental regulations and policies could result in fines, which could further impact the Group's financial performance and profitability.

EMISSIONS

The Group acknowledges the impact of its activities on climate change and is dedicated to actively monitoring and reducing its greenhouse gas emissions. The Group adopts innovative solutions and sustainable practices to achieve this goal. To measure its carbon footprint, the Group employs internationally recognised conversion factors to convert energy consumption into carbon dioxide (CO₂e) equivalency. Scope 1 emissions encompass the direct greenhouse gas emissions arising from the Group's utilisation of liquid biofuels such as diesel and petrol in its operations under direct control. The calculation involves the application of GHG Conversion Factors provided by the United Kingdom (UK) Government. Scope 2 emissions, on the other hand, are indirect emissions resulting from the consumption of electricity obtained from external suppliers, over which the Group has no direct control. To determine Scope 2 emissions, the Group employs the Southern African Power Pool 2015 factors and incorporates Global Warming Potential rates provided by the Intergovernmental Panel on Climate Change (IPCC).

Our emissions for the reporting period were as follows:





The Rainbow Towers Hotel & Conference Centre waste management centre.

WASTE MANAGEMENT

Impacts

Rainbow Tourism Group, recognises the importance of responsible waste management in preserving our planet for future generations. Our strategy is designed to minimise environmental impacts through innovative waste reduction and advanced disposal methods. We are committed to leading by example, continuously seeking out and implementing the most environmentally sound practices. The Group reported a significant reduction in food waste during the year under review, which translates to increased profitability and efficiency, while also reducing the hotels' contribution to the creation of ozone-depleting gases from decomposing matter. However, the Group noted an increase in the tonnage of plastics and cans due to increased business activities which pose a negative environmental impact due to their non-biodegradable nature. Further, the prevalence of disposable drink containers in the hotel industry, as well as ongoing food waste challenges, highlight the need for continued efforts to enhance waste management practices across the value chain.

Our Approach to Waste Management

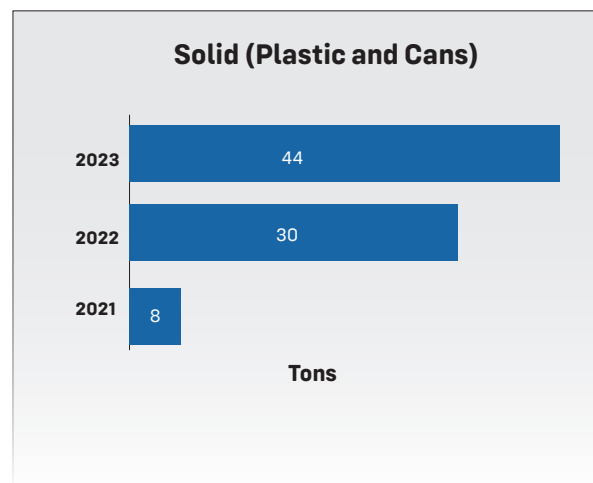
Moving forward, RTG is committed to implementing strategies to address both food and non-biodegradable waste, with the goal of enhancing operational efficiency and reducing environmental impact. RTG's commitment to responsible waste management is reflected in its Quality Assurance Policy. The Group has set a clear target to reduce the overall waste generated by 2%. To achieve this, RTG implemented several strategic initiatives, including the installation of clearly marked waste bins to facilitate the separation of recyclable materials. Additionally, we invested in training employees to handle waste from all business activities,

contributing to the reduction of waste across its operations. At the core of our approach is the classification and safe disposal of waste, which serves as the foundation for environmentally friendly waste management practices.

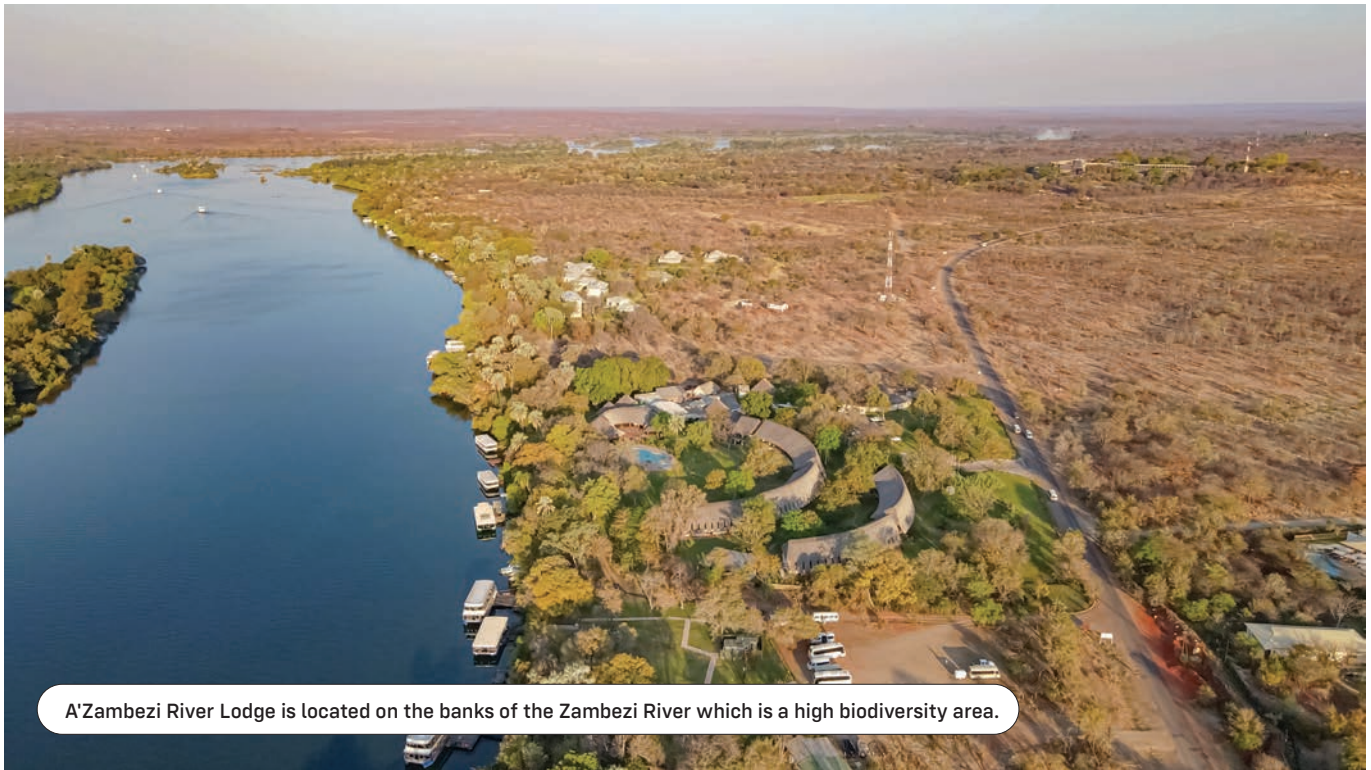
Tracking System

We periodically record and track waste streams across operations, with the overarching goal of reducing waste and maximising recycling efforts. The Group's interactive engagement with customers through clearly labelled bins has contributed to the effectiveness of the waste separation efforts.

In our commitment to being a responsible Group that embraces sustainable practices, we have diverted the following waste from disposal.



BIODIVERSITY



Our Impacts

Some of our hotels operate from a high biodiversity area and this serves for educational purposes and provide guests with unique experiences. However, it is important to acknowledge that there are risks involved. Some of our properties have been damaged by wild animals, and there is a possibility of harm to our customers due to their proximity to these animals. Additionally, due to the nature of our business, waste generation is inevitable, and some of this waste may have harmful effects on the local fauna and flora. It is our responsibility to carefully manage these potential risks and ensure that our operations prioritise the safety of our customers, the well-being of the animals, and preservation of the environment.

Management Approach

The Group is committed to fostering a harmonious cohabitation between our business and the wildlife in the areas where we operate. To prevent or mitigate potential negative impacts, we work closely with the Parks and Wildlife department, as well as other animal and plant specialists, to address any possible conflicts with wildlife. We have implemented strategies to control the access of wild animals to our waste areas. This involves devising safe waste transportation methods to designated areas that are inaccessible to wildlife. Additionally, we fenced specific locations to reduce potential conflicts and interactions between humans and animals. These measures aim to promote a safer and more harmonious coexistence between wildlife and waste management practices.

Monitoring System

We continuously monitor and assess the recurrence of human-animal conflicts. This monitoring helps us understand the effectiveness of our actions and identify areas of improvement. Our goal is to allow interactions between people, animals, and plants in a safe and controlled manner, while minimising damage to property and avoiding loss of life. We measure our progress and effectiveness through key performance indicators, with one of our primary targets being zero accidents caused by human-wildlife conflict. While we made significant strides in training employees to avoid attracting certain animals to waste areas, such as elephants and baboons, there is still ongoing work in appreciating animal behaviour and exploring how we can further enhance our interactions without compromising the safety of our clients. Guidance from animal experts, including those from Parks and Wildlife, have been invaluable in providing insight into handling human-wildlife conflict. Moreover, we incorporated their expertise in the design and construction of areas that are susceptible to sneaky and treacherous animals like baboons, ensuring the safety of our guests and the protection of our facilities.



RTG middle management teams in a Management development training session.

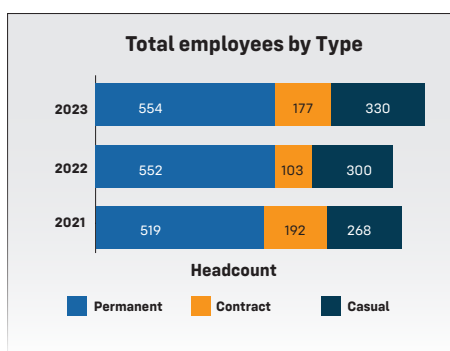
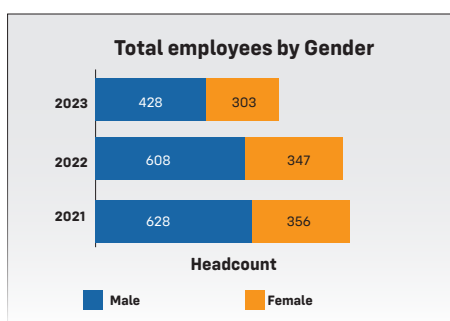
EMPLOYEES

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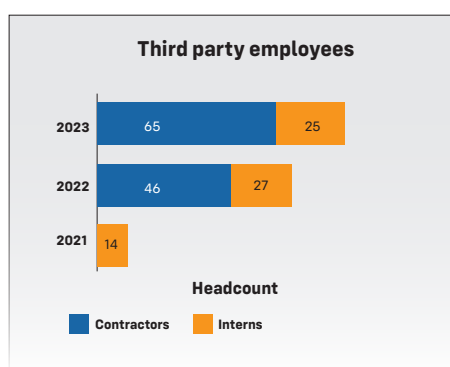
OUR MANAGEMENT PRACTICES

Employees are the cornerstone of our success as a Group. They are our most valued resource, serving as the driving force behind our values and service promise. The Group is committed to ensuring that employees are strategically recruited, their welfare is taken care of, and their careers are developed during their tenure. To always ensure high employee performance, we recruit the most talented individuals, provide them with training, and offer engagement forums for continual improvement. Discipline and professionalism are among our top expectations for employees, and any deviations are handled accordingly to minimize recurrence. Our employee base encompasses permanent, contract, and third-party employees.

Our employees for FY23 were as follows:



The Group also employs third-party employees, mainly contractors, on an as needed basis.



EMPLOYMENT

RTG, is dedicated to creating positive employment impacts within our operations while creating a workplace where employees can thrive, contribute, and grow. Nurturing a workplace culture that values employee engagement and contentment results in increased productivity and enhanced business performance, as well as the engagement and retention of top talent. The Group emphasises the importance of efficient business processes and effective

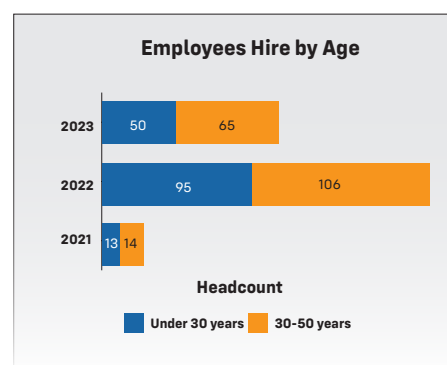
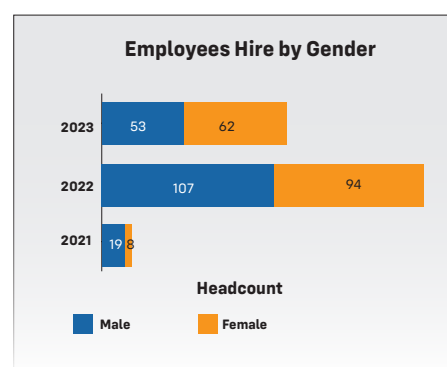
recruitment practices, which contribute to positive employment outcomes such as low employee turnover and optimal performance.

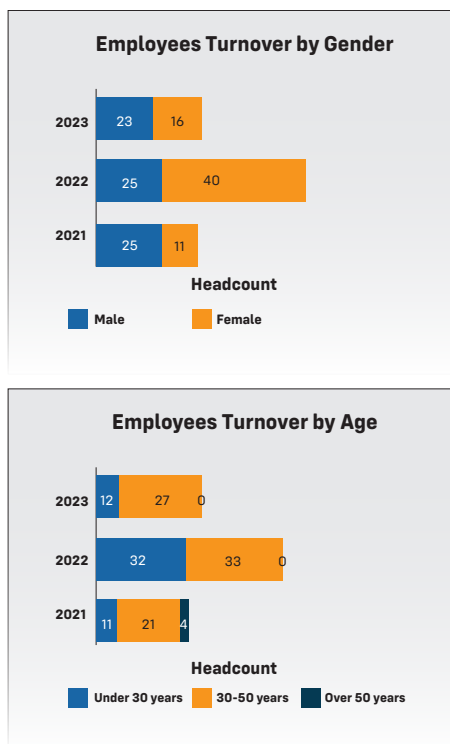
We implemented policies and commitments to effectively manage employment and prioritise the well-being and development of employees. Our policies include Recruitment and Selection, Human Capital Development, Reward Management, Retirement, and Employee/Employer Relations. We make use of employee engagement surveys to assess employee satisfaction and identify areas of improvement, and market policy gaps analysis to ensure sustainable practices align with business performance goals. The Group conducts thorough employee induction programs and employee policy awareness initiatives to ensure that new hires are well-informed about our values, expectations, and support systems.

RTG prioritises employee training programs and policy orientation platforms to enhance skills, resolve issues effectively, and provide ongoing support to employees. We conduct employee engagement programs, external audits, and employee engagement surveys to track our employment practices performance. We aim to recruit and develop highly efficient talent, promote discipline in the workplace, and reward performance. Key performance indicators such as, labour case management analysis, and employee engagement surveys are used to evaluate progress. Our efforts yielded positive results, with 100% inductions and 80.2% employee engagement. Valuable insights from surveys and stakeholder engagement informed policy alignment and led to improved employee engagement and productivity.

Employee movement

Our employee movement for the reporting period was as follows:





Employee Relations

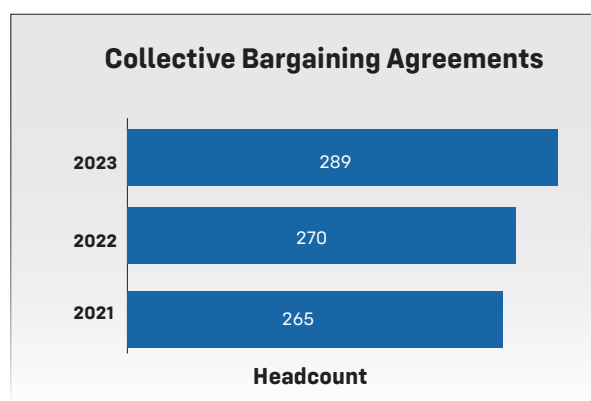
To enhance employee involvement and commitment, the Group introduced platforms for employee engagement. This has yielded notable improvements in productivity, morale, and increased job satisfaction. We focus on ensuring that employees possess a comprehensive understanding of their rights and responsibilities by raising awareness of our policies and procedures. This approach has effectively mitigated potential misunderstandings and conflicts in the workplace. We achieve substantial cost savings by internally managing labour cases, effectively minimising costs related to legal matters.

The Group established policies and commitments to effectively manage employee relations which includes the development and regular review of Human Resources policies and a Code of Conduct in accordance. RTG implements an employee orientation program that focuses on recruitment practices and familiarises new employees with the Code of Conduct. The Group conducts employee engagement surveys to gauge satisfaction and identify areas of improvement. Additionally, we analyse the key drivers of disciplinary cases within the Group and take necessary measures to address them, promoting a positive and constructive work environment.

To track the effectiveness of the actions taken, the Group employs several processes, including monthly labour reports, quarterly Board reports, and monthly business reviews. These processes provide regular insights into employee relations performance and allow for timely adjustments and improvements. Goals have been set to reduce labour-related disputes to below 1% by 31 December 2024. Key performance indicators, such as the number of disciplinary cases, staff turnover ratio, and employee engagement level, are used to evaluate progress towards these goals. Disciplinary cases have remained below 1% of the employee strength, indicating successful management of employee conduct. There has been a focus on increasing employee engagement at all levels and providing continuous training on labour case management. Engagement with stakeholders, including employees, has played a crucial role in informing the actions taken and assessing their effectiveness.

Freedom of Association and Collective Bargaining

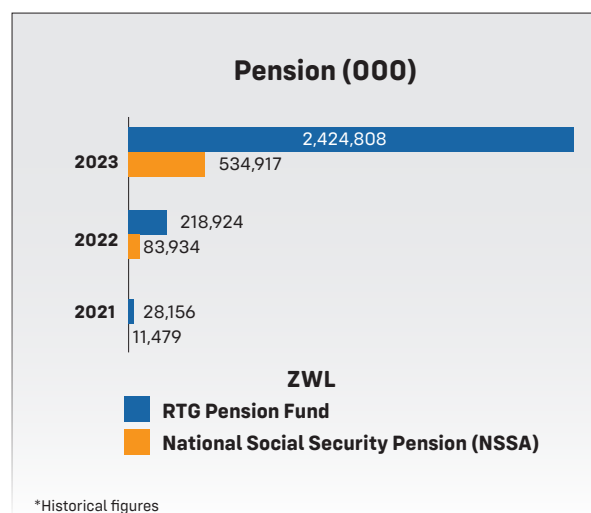
A considerable number of employees within RTG are affiliated with the Zimbabwe Catering and Hotel Workers Union (ZCHWU) and operate under the purview of the National Employment Council for the sector. RTG actively partakes in collective bargaining agreements, which serve as a platform for negotiating and establishing fair employment terms and conditions. The Group's engagement in collective bargaining agreements reflects its dedication to fostering harmonious labour relations and safeguarding the rights and well-being of its employees. For the reporting period our Collective Bargaining Agreements was as follows:

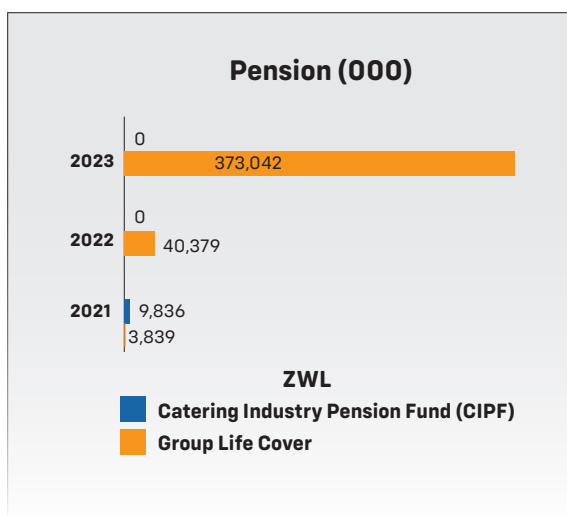


Employee Welfare

Upon retirement, the Group provides employees with a retirement premium, ensuring they receive additional financial support. The Company is committed to offering employees the opportunity to participate in pension plans that provide lifelong benefits after their employment period. While certain pension schemes are voluntary, there are statutory schemes that encompass all employees, such as the National Social Security Authority. Through these measures, the Group aims to prioritise the financial well-being and long-term security of its workforce.

Our pension figures for the period were as follows:





The NEC Pension was merged with the RTG Pension Fund to facilitate easier management and tracking of employee data. The consolidation into a larger fund enables better benefits for employees, especially in investment-related matters.

Employee Benefits

The Group provides the following benefits to full-time employees:

- Medical aid
- Pension
- Funeral cover

Parental Leave

In a commitment to supporting work-life balance and prioritising the well-being of our employees and their families the Group offers parental leave to its employees.

Below are figures of parental leave taken and the employees who returned:



OCCUPATIONAL HEALTH AND SAFETY (OHS)

We recognise that safeguarding the well-being and productivity of employees is crucial for sustained success. By prioritising this aspect, we benefit from enhanced employee productivity, a strengthened competitive advantage, and improved employee well-being. However, elevated health and safety expenses, loss of manpower hours, and potential loss of life are the risks associated with overlooking occupational health and safety. To proactively address these concerns, the Group actively participates in industry Occupational Safety, Health, and Wellness programs, facilitating information sharing and implementing measures in alignment with applicable legislation.

Occupational Health Management System

Our OHS policies and practices are aligned with the Factories and Works Act. We are committed to developing and regularly reviewing our Safety and Health Policy to ensure full compliance with the relevant legal framework. To this end, we have set a goal to achieve 100% compliance on health and safety regulations across all our business units by 2027. Our OHS framework was designed in line with NSSA guidelines, and we are actively engaged in information sensitisation efforts to familiarise all employees with the applicable policies and procedures. We benchmark our practices against the Labour Act [Chapter 28:01], and the National Social Security Authority's Accident Prevention Workers Compensation Scheme Notice No. 68 of 1990, ensuring adherence to the legal requirements.

This strategic approach serves three key objectives: to promote the health and safety of our employees, to reduce workplace accident-related costs, and to contribute towards enhanced productivity across the Group. To achieve these goals, we instituted a range of initiatives, including targeted training programs such as fire drills and proper gas usage procedures. Additionally, we introduced wellness programs that promote a healthy work environment, encompassing activities like games and regular health check-ups. Through these collective efforts, we demonstrate our commitment to safeguarding the well-being of employees and driving sustainable performance.

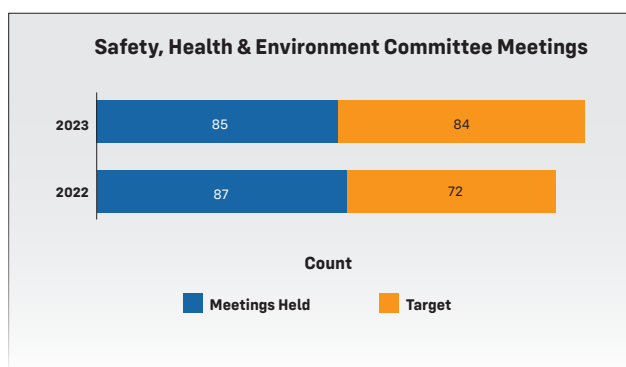
Hazard Identification, Risk Assessment (HIRA), and Incident Investigation

As part of our OHS framework, we have an incident investigation process to address any safety incidents or exposures. This process involves a thorough root cause analysis to identify the underlying factors contributing to the event. Additionally, we conduct regular quality audits and provide targeted training programs to continuously enhance the safety competencies of employees. To facilitate effective incident reporting, we established a standardised procedure that encourages employees to report any incidents or accidents without fear of reprisals. This information is then utilised to drive continuous improvement, strengthen our preventive measures, and ensure the proper management of any incident or accident scene, including the notification of relevant parties. This four-step incident investigation process, encompassing incident description, cause identification, organisational changes, and knowledge sharing, is a central component of our strategy to safeguard the well-being of employees and maintain operational excellence.

Employee Training on Occupational Health and Safety

Our Health and Safety program encompasses a diverse range of training and certification initiatives to ensure the well-being of employees and the overall operational integrity of the Group. These include First Aid training, proper gas usage procedures, Health and Safety evacuation programs, and regular fire drills to enhance preparedness and responsiveness in emergency situations. Moreover, we incorporated Six Sigma methodologies to drive continuous improvement in our Health and Safety practices, identifying and addressing potential risks and inefficiencies.

In FY23 the following meetings were held:



New Ambassador Hotel employee wellness day.

Promotion of Employee Health

We provide a comprehensive medical aid scheme, ensuring that employees have access to quality healthcare when needed. Additionally, we strive to create working conditions that promote personal achievement and self-fulfilment, fostering an environment where individuals can thrive both professionally and personally. We have health and safety champions who work diligently to maintain a safe and secure workplace, and our wellness champions programs encourage and support the overall well-being of our employees. We recognise that safeguarding the well-being and productivity of employees is crucial for sustained success. By prioritising this aspect, we benefit from enhanced employee productivity, a strengthened competitive advantage, and improved employee well-being. However, elevated health and safety expenses, profitability, loss of manpower hours, and potential loss of life are the risks associated with overlooking occupational health and safety. To proactively address these concerns, the Group actively participates in industry Occupational Safety, Health, and Wellness programs, facilitating information sharing and implementing measures in alignment with applicable legislation.

Health And Wellness Activities

Rainbow Tourism Group conducts health and wellness programs to enhance employee morale and productivity. During the year, our wellness activities were as follows:



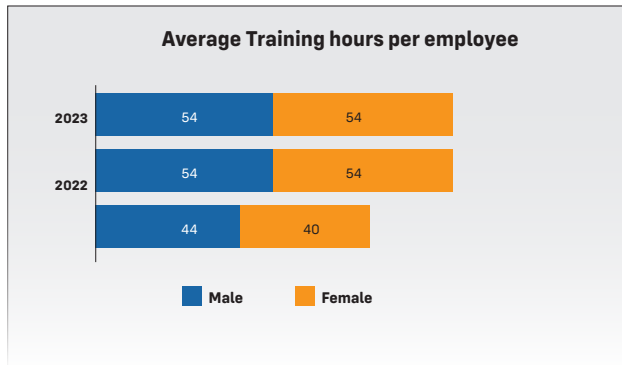
Training and Education

RTG understands that skilled employees are essential for our success, and we prioritise training and development initiatives to empower employees to perform their roles effectively. Our programs resulted in a range of positive impacts, including increased productivity, enhanced job satisfaction, and improved employee attraction and retention. However, we are aware of the potential risks associated with training and development efforts, such as the possibility of employees leaving or underperforming, and not meeting corporate objectives.

Our Human Resources Development Policy outlines our approach to identifying and addressing the training and development needs of individual employees, with a dedicated training budget allocated each year to demonstrate our commitment to investing in employee development. We promote employees from within the Group to fill vacancies, particularly those who have acquired new skills through training, fostering a culture of internal talent development and retention.

We track the effectiveness of our training initiatives through training evaluations by supervisors and competency tests. The Group aims to develop highly skilled employees whilst enhancing associates at all levels. RTG tracks the number of trainings held, people trained, and assess skills and results through Key Performance Indicators (KPI).

The average training hours per employee are as follows:



RTG offers the following programmes to its employees for skills upgrade:

- Supervisory Development Programmes,
- Management Development Programmes,
- Graduate Trainee Programmes,
- Customer Service Excellence,
- Professional Cookery,
- Quality Assurance,
- Executive Development Programme

To assist retiring employees, the Group offers the following transition assistance programs, which facilitate continued employability:

- Retirement Preparedness,
- Wellness Training,
- Financial management Programmes,
- Employer Assisted Housing scheme, and
- Employer Assisted Micro- Finance.



Rainbow Towers Hotel netball team.



Employee wellness days for New Ambassador Hotel and the Rainbow Towers Hotel & Conference Centre.



Harare Children's Home donation.

CORPORATE RESPONSIBILITY

Corporate Social Responsibility.....64

CORPORATE SOCIAL RESPONSIBILITY

As Rainbow Tourism Group, we are dedicated to addressing socio-economic inequalities, poverty, and fostering community development. We are committed to sustainable business practices that minimise environmental impact. Further, we prioritise community well-being and provide aid during crises, such as our recent contribution to Cyclone Freddy victims in Malawi. Each year, we carefully identify areas for assistance and implement community outreach programs to effectively address these challenges.

Our CSR contributions for FY23 were as follows:



WELLNESS AND NUTRITION	ENVIRONMENT MINDFULNESS	PHILANTHROPY
The Group invested in promoting healthy lifestyles and empowering marginalised communities. We supported the Community Capacity Building Initiative in Africa, by providing organic garden inputs and operational costs such as land, water, tools, seeds, and seedlings. The amount donated was US\$ 5,000.	RTG promoted business practices that reduce environmental impact. We supported Environmental Reporters through the annual Environmental Reporter of the Year Awards. The support included cash prizes and covering the costs of hosting the awards event which was US\$20,000. We also donated US\$ 5,000 for tree seedlings.	We improved the livelihoods of the communities in which we operate. We donated linen items (valued at ZWL\$234,475 and USD\$130) to Harare Children's Home and refurbished Hupenyu Hutsva Primary School's ablution block with a contribution of US\$10,000. In response to Cyclone Freddy in Malawi, we provided support (linen items worth ZWL\$4,428,400) to Emthunzini. We Themba, as well as linen items to Ingutsheni Central Hospital. Additionally, we donated US\$5,000 in the form of dry goods food items to the Ministry of Local Government and Public Works. Our aim is to uplift communities and make a positive impact on their well-being.
US\$ 5,000	US\$ 25,000	US\$ 5,000 ZWL4,662,875



The Rainbow Towers Hotel and Conference Centre hosted the 2023 International Conference on AIDS and STIs in Africa.

ECONOMIC GROWTH CONTRIBUTION

Economic Value Generation and Distribution.....66

Responsible Tax.....66

ECONOMIC VALUE GENERATION AND DISTRIBUTION



As a leading entity in the hospitality industry, RTG is dedicated to achieving exemplary economic performance in the local economy. We prioritise fostering employment opportunities and promoting the economic well-being of the region. Our dedication to delivering exceptional customer experiences drives satisfaction, loyalty, and has a positive effect on the broader economy by attracting visitors and boosting tourism. In line with our commitment to the communities, we actively invest in infrastructure projects that enhance the local environment, including improvements to public spaces, transportation systems, and utilities, creating a positive impact on the region's economic infrastructure. To keep up with our rapidly evolving industry, we continually invest in innovation and embrace emerging technologies to enhance operational efficiency, elevate customer experiences, and remain at the forefront of the market. Throughout our endeavours, we consistently refine our strategies to improve economic performance while upholding our commitment to social and environmental responsibility.

The Group is committed to maintaining strict adherence to accounting policies and standard operating procedures to ensure accurate financial management. We report monthly economic performance transparently to stakeholders and actively promote transparency by publishing economic performance in the public press. Regular performance reviews inform strategic decisions to optimise positive outcomes, and we monitor key performance indicators such as Average Daily Rate (ADR), Revenue per Available Room (RevPAR), average length of stay, online reviews, occupancy rate, and room type index. Our goal is to increase revenue, cost control and reduction and guest satisfaction. To assess the effectiveness of our actions, we conduct performance metrics reviews and financial analysis, evaluate guest satisfaction indices through surveys, and direct interactions, and analyse market share and penetration. We incorporated lessons such as prioritising and multitasking, thinking on our feet, clear communication in a fast-paced environment, fostering teamwork, and recognising the unique stories of each guest to enhance operational effectiveness.

For detailed information on the direct economic value generated and distributed, please refer to pages 73 to 93 of our financial

statements. These pages provide a comprehensive overview of the economic impact we have achieved.

RESPONSIBLE TAX

We recognise the importance of complying with relevant government tax legislation. This involves formulating and implementing a tax strategy to optimise cash flows, achieve tax efficiencies, and support strategic decision-making. Staying informed about tax policy changes is essential, as they impact our tax rate and require us to adjust our strategies. Non-compliance with tax laws can lead to fines, penalties, and legal disputes. Managing our tax obligations requires dedicated resources for compliance, reporting, and documentation, as well as investments in technology and process automation. Inadequate tax management may result in negative consequences such as consumer boycotts and increased regulatory scrutiny.

Approach to Tax

We have a clearly defined approach to tax, guided by a comprehensive tax strategy that undergoes quarterly review and approval by the Board of Directors and Top Management. The governance body and executive positions ensure that the tax strategy remains current and aligned with business objectives. Compliance with tax regulations is a top priority, and proactive measures are taken to ensure adherence to tax laws and regulations, including utilising available tax credits and deductions and maintaining detailed tax records. We recently hired a dedicated tax consultant to provide expert advice on tax matters. The Group's approach to tax is closely connected to its business and sustainable development strategy. We recognise the importance of aligning our tax practices with our purpose and values, creating value for all stakeholders and communities we serve. Strategic tax governance is essential for long-term success, integrating sustainable development goals and principles into the tax strategy, considering the impact of tax decisions on Environmental, Social, and Governance (ESG) factors, and actively seeking opportunities to contribute to positive societal outcomes.

Stakeholder Engagement on matters of tax

We prioritise engaging with stakeholders and effectively managing tax concerns. This involves adhering to established procedures when interacting with tax authorities and ensuring prompt tax payments. In cases where there are outstanding payments, we arrange suitable payment plans to meet our obligations. We utilise various communication channels such as letters, phone calls, emails, and visits to tax commissioner offices to address any tax-related matters. Additionally, we actively participate in seminars, workshops, and conferences involving tax authorities, allowing us to stay updated on tax policies and regulations while fostering open dialogue and constructive engagement. In advocating for public policy on tax, we employ diverse approaches. This includes launching public campaigns to create public pressure and urge policymakers to act on tax-related issues. Simultaneously, we engage in constructive dialogue and lobbying behind closed doors to build relationships with policymakers and influence the development of tax policies in line with our objectives. To ensure that we gather and consider the views and concerns of stakeholders, we have established processes that involve identifying key stakeholders, analysing their needs and interests, and developing engagement strategies that promote accountability and transparency. We are committed to maintaining open lines of communication and actively addressing any concerns to ensure that our tax management aligns with the expectations and needs of our stakeholders.

We have a set of policies for the effective management of taxes. These policies encompass a comprehensive framework for tax management, risk assessments, a code of conduct, and a control framework. These policies provide a solid foundation for our tax management practices. We are committed to fulfilling our tax obligations promptly and with 100% compliance. Our goal is to avoid penalties and fines by meticulously meeting all tax requirements. To manage taxes and their impacts proficiently, we regularly conduct tax audits to assess compliance, seek expert advice from tax consultants, and integrate tax planning into our overall risk management strategy. Additionally, we invest in tax technology to streamline processes and enhance accuracy, and we engage tax consultants to navigate complex tax issues and effectively handle tax-related litigation and disputes.

Furthermore, we employ effective tax planning strategies, integrate tax risk assessment into our decision-making processes, and ensure transparent reporting on tax matters. Our goals include minimising the effective tax rate, reducing risks, maintaining a positive image, improving process efficiency, and optimising tax planning. Key performance indicators, including the effective tax rate, audit outcomes, and technology implementation, help us evaluate our progress. Lessons learned have influenced our operational policies, leading to simplified tax systems, staying updated to avoid penalties, embracing technology, and maintaining zero tolerance to corruption.

Payments to government

During the reporting period our tax payments were as follows:

	2023 (ZWL)	2022 (ZWL)	2021 (ZWL)
Corporate Tax - Associates	619,073,864	121,283,169	54,614,137
Corporate Tax - Subsidiaries	77,384,233	15,160,396	6,826,767
Value Added Tax (VAT)	15,574,834,318	1,262,932,912	164,597,714
PAYE and Aids Levy	35,826,677,986	2,328,972,242	231,864,022
Withholding Tax	49,149,293	3,029,080	1,409,168
IMTT	1,874,719,386	318,557,443	-
Other taxes	1,309,709,533	132,097,198	5,810,216
TOTAL TAXES	55,331,548,613	4,182,032,440	465,122,024

*The Group fulfils its responsibility in paying mandatory taxes, which have increased in accordance with the growth in business volumes. PAYE and Aids Levy also increased proportionally with salary levels during the reviewed period.



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DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the Companies and Other Business Entities' Act [Chapter 24:31], the Directors of the company are required to maintain adequate accounting records and are responsible for the content and integrity of the consolidated financial statements and related financial information included in this report. It is the Directors' responsibility to ensure that the consolidated financial statements fairly present the state of affairs of the Group as at the end of the financial period and the results of its operations and cash flows for the financial year then ended, in accordance with International Financial Reporting Standards (IFRSs).

The Directors acknowledge that they are ultimately responsible for the system of internal financial control established by the company and place considerable significance on maintaining a strong control environment. To enable the Directors to meet these responsibilities, the Board set standards for internal control aimed at reducing the risk of error or loss in a cost-effective manner. The standards include the proper delegation of responsibilities within a clearly defined framework, effective accounting procedures and adequate segregation of duties to ensure an acceptable level of risk. These controls are monitored throughout the company and all employees are required to maintain the highest ethical standards in ensuring the company's business is conducted in a manner that in all reasonable circumstances is above reproach. The focus of risk management in the company is on identifying, assessing, managing and monitoring all known forms of risk across the company. While operating risk cannot be fully eliminated, the company endeavors to minimise it by ensuring that appropriate infrastructure, controls, systems and ethical behavior are applied and managed within predetermined procedures and constraints.

The Directors are of the opinion, based on the information and explanations given by management, that the system of internal control provides reasonable assurance that the financial records may be relied on for the preparation of the financial statements. However, any system of internal financial control can provide only reasonable, and not absolute, assurance against material misstatement or loss.

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

The external auditors are responsible for independently auditing and reporting on the company's financial statements. The financial statements and the related notes have been audited by the company's external auditors and their report is presented in this report.

The financial statements and the related notes set out in this report which have been prepared on the going concern basis, were approved by the Board and were signed on its behalf by:



D. Hoto



T. M. Madziwanyika



N. K. Mtukwa

25 April 2024

REPORT OF THE DIRECTORS

The Directors of the Company are pleased to present their report and audited financial statements for the year ended 31 December 2023.

SHARE CAPITAL

The authorised share capital of the company was increased at the previous Annual General Meeting to \$500,000 divided into 5,000,000,000 ordinary shares of \$0.0001 each, of which \$249,549.55 divided into 2,495,495,543 ordinary shares of \$0.0001 cents are in issue.

RESERVES

The movement of the reserves of the Group is shown in the **statement of changes in equity**.

DIVIDENDS

The Board is pleased to have declared an interim dividend of ZWL1,622,072,102.95 and US\$259,531.54 declared on 1 November 2023. The Board also declared a final dividend of ZiG 1,771,801.84 and US\$259,531.54 declared on 2 May 2024.

DIRECTORS

Shareholders will be requested to re-elect Messrs. Cynthia Malaba and Douglas Mavhembu who retire by rotation at the Annual General Meeting, and being eligible, offer themselves for re-election in accordance with Article 103 of the Articles of Association of the Company.

DIRECTORS' FEES

In terms of section 167 as read with section 207 of the Companies and Other Business Entities Act, shareholders must set or approve directors' compensation which includes emoluments, salaries and pensions. Shareholders will be asked to approve payment of directors' fees of ZW\$4,425,385,680 for the year ended 31 December 2023. This amount includes directors' sitting fees, retainer fees and other benefits that directors are entitled to.

AUDITORS

A resolution to fix the remuneration of ZW\$1,384,332,324 for Messrs. BDO Zimbabwe Chartered Accountants for the past year's audit in accordance with section 191 of the Companies and Other Business Entities Act will be tabled.

BORROWING POWERS

In terms of the Articles of Association, the company is authorised to borrow funds amounting to, but not exceeding twice the aggregate of:-

- The amount of issued and paid up share capital of the company and
- The total amount of capital and revenue reserves of the company including share premium.

The directors confirm that during the year under review the company's borrowings were within the above limits.

RESPONSIBILITY FOR FINANCIAL STATEMENTS

The directors are responsible for the maintenance of adequate accounting records and the preparation of the financial information included in this Annual Report. The Financial Statements have been consistently prepared in accordance with International Financial Reporting Standards, and where required, reflect our best estimates and judgements.

To fulfill this responsibility, the Group maintained systems of internal control which are designed to provide reasonable assurance that the records accurately reflect the transactions of the Group and safeguard its interests.

The Group's financial statements have been prepared on the going concern basis since the directors have every reason to believe that the Group has adequate resources to continue into the foreseeable future.

For and on behalf of the Board



.....
T. MARI
COMPANY SECRETARY
25 April 2024

INDEPENDENT AUDITOR'S REPORT



TO THE MEMBERS OF RAINBOW TOURISM GROUP LIMITED

Opinion

We have audited the consolidated inflation adjusted financial statements of RAINBOW TOURISM GROUP LIMITED AND ITS SUBSIDIARY ("the Group") set out on pages 73 to 93, which comprise the consolidated inflation adjusted statement of financial position as at 31 December 2023, inflation adjusted statement of profit or loss and other comprehensive income, inflation adjusted statement of changes in equity and inflation adjusted statement of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated inflation adjusted financial statements present fairly, in all material aspects, the financial position of the Group as at 31 December 2023, its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Key audit matters

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

KEY AUDIT MATTER	AUDIT RESPONSE
Valuation of property and equipment Property and equipment is valued at ZWL 268,351,971,022 (2022: ZWL 129,200,868,515). A valuation exercise was carried out at year end. The valuation of immovable property and equipment was performed by independent valuers and directors performed the valuation of movable assets respectively who in turn made extensive assumptions and judgements in the process. The determination of the value of property and equipment was considered to be a matter of significance due to the: - Inherent subjectivity of the key assumptions and judgements that underpin the process thereon due to the heightened uncertainties in the economic environment. - Subjectivity of the process that involved making a choice of the spot exchange rate to apply in the prevailing economic environment.	The Group applied the requirements of International Financial Reporting Standard (IFRS 13) Fair Value Measurement and International Accounting Standards (IAS 21) Effects of Changes in Exchange Rates. During the audit, we:- - Obtained an understanding of the approach followed by the independent valuers and directors through discussions with them. - Further evaluated the independent valuers' work by assessing their competence, independence and capabilities with reference to their qualifications and industry experience. - Assessed the work performed by the independent valuers in valuing property and equipment by performing the following: - Reviewed the valuation methods used and assessed whether they are appropriate and consistent with the reporting requirements. - Evaluated the principles and the integrity of the models used, in accordance with generally accepted valuation methodologies in the economic environment at hand. - Assessed the inputs in the valuation model for accuracy and completeness. - Further evaluated the directors' work by assessing the system used in the valuation process for movable property and equipment. - Assessed the reasonability of the spot exchange rate used in the valuation process in the context of disparities on available foreign exchange rates. - Reviewed the property and equipment accounting policies and disclosures in the consolidated financial statements for appropriateness and adequacy.

INDEPENDENT AUDITOR'S REPORT

Other Information

The directors are responsible for other information. The other information comprises the Chairman's Statement, Director's Report, Corporate Governance report and Sustainability Report, which we obtained prior to the date of this report and the Annual Report, which is expected to be made available to us after that date.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of directors for the financial statements

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

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

Auditors' responsibilities for the audit of the financial statements

Our objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Auditing Standards (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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of an audit in accordance with International Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the company to cease or continue as a going concern.
- Evaluate the overall presentation, structure and content of financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the company to express an opinion on the financial statements. We are responsible for the directing, supervision and performance of the company 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 communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

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

Report on legal and regulatory requirements

The accompanying consolidated inflation adjusted financial statements were prepared in accordance with the requirements of section 273 of the Companies and Other Business Entities Act (Chapter 24:31).



BDO Zimbabwe Chartered Accountants

Per: Martin Makaya

Partner

Registered Public Auditor

PAAB Certificate No :0407

**Kudenga House
3 Baines Avenue
Harare**

25 April 2024

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

as at 31 December 2023

		INFLATION ADJUSTED			HISTORICAL COST		
		31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
			Restated	Restated		Restated	Restated
Notes		ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
ASSETS							
Non current assets							
Property and equipment	5	268 351 971 022	129 200 868 515	60 417 786 416	256 199 325 709	24 661 271 045	3 661 578 815
Intangible assets	6	548 723 210	830 073 648	323 281 727	548 723 210	172 932 010	19 592 269
Right-of use assets	7.1	1 135 615 904	1 135 841 134	1 136 610 416	1 323 701	1 411 948	1 500 195
		270 036 310 136	131 166 783 297	61 877 678 559	256 749 372 620	24 835 615 003	3 682 671 279
Current assets							
Inventories	9	18 428 076 530	5 017 817 110	1 464 504 842	7 220 383 649	575 618 852	88 755 319
Trade and other receivables	10	19 330 853 741	18 829 231 177	10 673 407 974	19 330 853 741	3 922 756 496	646 854 624
Other financial assets	11	8 581 932 697	2 625 812	2 598 917	8 581 932 697	547 044	157 505
Cash and cash equivalents		13 049 392 681	2 435 260 316	3 646 656 276	13 049 392 681	507 345 899	221 003 121
		59 390 255 649	26 284 934 415	15 787 168 009	48 182 562 768	5 006 268 291	956 770 569
Total assets		329 426 565 785	157 451 717 712	77 664 846 568	304 931 935 388	29 841 883 294	4 639 441 848
EQUITY AND LIABILITIES							
Capital and reserves							
Share capital	12.1	276 050 556	276 050 556	276 050 556	249 550	249 550	249 550
Share premium	12.2	10 229 546 429	10 229 546 429	10 229 546 429	10 227 505	10 227 505	10 227 505
Revaluation reserve	12.3	181 071 386 355	91 959 937 435	52 333 596 113	185 720 754 719	19 537 568 662	3 171 641 965
Retained earnings		19 741 743 408	3 142 231 087	3 114 919 130	3 600 237 810	(710 807 393)	(386 859 919)
Total equity		211 318 726 748	105 607 765 507	65 954 112 228	189 331 469 584	18 837 238 324	2 795 259 101
Non current liabilities							
Lease liabilities	7.2	8 290 561 235	4 639 249 349	2 624 013 981	8 290 561 235	966 494 865	159 024 044
Long term portion of borrowings	14	2 312 138 626	-	-	2 312 138 626	-	-
Deferred tax	13	56 429 066 830	21 060 239 404	2 674 137 176	53 921 693 597	4 329 407 266	313 355 212
		67 031 766 691	25 699 488 753	5 298 151 157	64 524 393 458	5 295 902 131	472 379 256
Current liabilities							
Short term portion of borrowings		1 156 069 313	-	29 190 861	1 156 069 313	-	1 769 092
Trade and other payables	15	46 242 011 101	24 201 264 055	4 655 981 565	46 242 011 101	5 303 912 019	1 224 644 601
Tax payable		1 409 843 243	443 691 890	752 189 620	1 409 843 243	92 434 895	86 287 427
Lease liabilities	7.2	791 826 654	443 091 991	250 618 040	791 826 654	92 309 359	15 188 294
Bank overdraft		1 476 322 035	1 056 415 516	724 603 097	1 476 322 035	220 086 566	43 914 077
		51 076 072 346	26 144 463 452	6 412 583 183	51 076 072 346	5 708 742 839	1 371 803 491
Total liabilities		118 107 839 037	51 843 952 205	11 710 734 340	115 600 465 804	11 004 644 970	1 844 182 747
Total equity and liabilities		329 426 565 785	157 451 717 712	77 664 846 568	304 931 935 388	29 841 883 294	4 639 441 848

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

D. Hoto
Chairman

T. M. Madziwanyika
Chief Executive

N. K. Mtukwa
Finance Director

**CONSOLIDATED STATEMENT OF PROFIT OR LOSS
AND OTHER COMPREHENSIVE INCOME**
for the year ended 31 December 2023

		INFLATION ADJUSTED		HISTORICAL COST	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
			Restated		Restated
Notes		ZWL	ZWL	ZWL	ZWL
Revenue	16	266 327 859 840	117 704 732 982	172 388 381 332	17 283 887 935
Cost of sales		(80 503 373 979)	(35 908 645 612)	(51 506 101 215)	(5 489 903 320)
Gross profit		185 824 485 861	81 796 087 370	120 882 280 117	11 793 984 615
Other operating income	17	8 222 497 144	1 960 453 731	4 766 764 823	349 915 960
Administrative expenses		(98 142 768 462)	(49 501 540 692)	(70 937 148 232)	(7 266 613 969)
Distribution expenses		(24 735 532 928)	(14 052 528 901)	(14 977 873 392)	(2 267 251 212)
Other operating expenses		(37 352 315 480)	(12 571 949 464)	(36 713 490 210)	(2 066 861 872)
Profit from operations		33 816 366 135	7 630 522 044	3 020 533 106	543 173 521
Net finance costs	18	(687 280 364)	(52 334 745)	(441 058 674)	(37 826 984)
Net monetary gain		2 368 741 310	(1 223 221 316)	-	-
Profit before tax	19	35 497 827 081	6 354 965 983	2 579 474 432	505 346 537
Income tax (expense)/credit	20	(7 617 396 537)	(1 848 938 906)	6 151 595 690	(280 239 325)
Profit for the year		27 880 430 544	4 506 027 077	8 731 070 122	225 107 212
Other comprehensive income:					
Items that will not be reclassified subsequently to profit or loss					
Gain on property revaluation, net of tax		89 111 448 920	78 557 226 584	166 183 186 057	16 365 926 697
Total comprehensive income for the year		116 991 879 464	83 063 253 661	174,914,256,179	16 591 033 909
Earnings per share	21				
Basic earnings per share (ZWL cents)		1,133.56	183.21	354.99	9.15
Headline earnings per share (ZWL cents)		1,133.56	182.98	354.99	9.13

CONSOLIDATED STATEMENT OF CASHFLOWS **for the year ended 31 December 2023**

	Note	INFLATION ADJUSTED		HISTORICAL COST	
		31 December 2023	31 December 2022	31 December 2023	31 December 2022
			Restated		Restated
		ZWL	ZWL	ZWL	ZWL
CASH FLOWS FROM OPERATING ACTIVITIES					
Profit before tax		35 497 827 081	6 354 965 983	2 579 474 432	505 346 537
Adjusted for:					
Depreciation of property and equipment, intangibles assets and right of use assets		3 056 635 244	1 864 998 784	1 197 633 354	207 346 258
De-recognition of property and equipment		2 221 273 149	-	870 326 553	-
Fair value adjustment on investments		1 592 692 817	-	(2 185 398)	-
Exchange loss on borrowings		1 757 370 855	-	1 757 370 855	-
Exchange loss on lease liability		8 294 132 948	846 250 194	8 245 725 853	157 276 091
Loss on disposal of property & equipment		-	554 778 830	-	64 210 513
Net finance costs		687 280 364	52 334 745	441 058 674	37 826 984
Operating profit before working capital changes		53 107 212 458	9 673 328 536	15 089 404 323	972 006 383
Working capital changes:					
Increase in inventories		(13 410 259 420)	(4 550 577 563)	(6 644 764 797)	(486 478 352)
Increase in trade and other receivables		(501 622 564)	(9 656 150 256)	(15 408 097 245)	(3 384 358 470)
Increase in trade and other payables		22 040 747 046	23 248 795 585	40 938 099 082	4 878 984 156
Cash generated from operations		61 236 077 520	18 715 396 302	33 974 641 363	1 980 153 717
Finance costs		(105 293 706)	(52 334 745)	(105 293 706)	(37 826 984)
Income tax paid		(369 739 879)	(3 494 375 779)	(18 482 883)	(404 441 641)
Net cash inflows generated from operations		60 761 043 935	15 168 685 778	33 850 864 774	1 537 885 092
CASH FLOWS FROM INVESTING ACTIVITIES					
Purchase of property and equipment		(25 782 574 414)	(6 822 914 399)	(10 631 860 470)	(782 690 574)
Development of intangible assets		(166 089 777)	(317 230 927)	(86 897 741)	(36 391 143)
Proceeds from sale of property and equipment		-	16 114 768	-	2 845 121
Purchase of gold-backed digital coins		(10,171,999,703)	-	(8,579,200,255)	-
Net cashflows utilised in investing activities		(36 120 663 894)	(7 124 030 558)	(19 297 958 466)	(816 236 596)
CASH FLOWS FROM FINANCING ACTIVITIES					
Lease principal repayment		(4 876 073 056)	(5 109 148 479)	(557 907 160)	(62 423 520)
Increase in borrowings		1 989 396 311	-	1 989 396 311	-
Loan repayment		(278 559 227)	-	(278 559 227)	-
Dividend paid		(11 280 918 223)	(4 478 715 120)	(4 420 024 919)	(549 054 686)
Net cashflows utilised in financing activities		(14 446 154 195)	(9 587 863 599)	(3 267 094 995)	(611 478 206)
NET INCREASE/ (DECREASE) IN CASH AND CASH EQUIVALENTS		10 194 225 846	(1 543 208 379)	11 285 811 313	110 170 290
			-		
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR		1 378 844 800	2 922 053 179	287 259 333	177 089 043
CASH AND CASH EQUIVALENTS AT END OF YEAR	22	11 573 070 646	1 378 844 800	11 573 070 646	287 259 333

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 December 2023

INFLATION ADJUSTED					
	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
Note	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 January 2022, as previously reported	276 050 556	10 229 546 429	52 333 596 113	5 173 656 365	68 012 849 463
Prior period adjustment	-	-	-	(2 058 737 235)	(2 058 737 235)
Restated balance at 1 January 2022	276 050 556	10 229 546 429	52 333 596 113	3 114 919 130	65 954 112 228
Total comprehensive income for the year	-	-	39 626 341 322	4 506 027 077	44 132 368 399
Dividend	-	-	-	(4 478 715 120)	(4 478 715 120)
Restated balance at 31 December 2022	276 050 556	10 229 546 429	91 959 937 435	3 142 231 087	105 607 765 507
Total comprehensive income for the year	-	-	89 111 448 920	27 880 430 544	116 991 879 464
Dividend	-	-	-	(11 280 918 223)	(11 280 918 223)
Balance at 31 December 2023	276 050 556	10 229 546 429	181 071 386 355	19 741 743 408	211 318 726 748

HISTORICAL COST					
	Share capital	Share premium	Revaluation reserve	Retained earnings	Total equity
Note	ZWL	ZWL	ZWL	ZWL	ZWL
Balance at 1 January 2022, as previously reported	249 550	10 227 505	3 171 641 965	429 659 873	3 611 778 893
Prior period adjustment	-	-	-	(816 519 792)	(816 519 792)
Restated balance at 1 January 2022	249 550	10 227 505	3 171 641 965	(386 859 919)	2 795 259 101
Total comprehensive income for the year	-	-	16 365 926 697	225 107 212	16 591 033 909
Dividend	-	-	-	(549 054 686)	(549 054 686)
Restated balance at 31 December 2022	249 550	10 227 505	19 537 568 662	(710 807 393)	18 837 238 324
Total comprehensive income for the year	-	-	166 183 186 057	8 731 070 122	174 914 256 179
Dividend	-	-	-	(4 420 024 919)	(4 420 024 919)
Balance at 31 December 2023	249 550	10 227 505	185 720 754 719	3 600 237 810	189 331 469 584

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

for the year ended 31 December 2023

1. GENERAL INFORMATION

1.1 Nature of business and incorporation

Rainbow Tourism Group (RTG) is a limited liability company incorporated and domiciled in Zimbabwe. The Group is in the tourism services industry as hoteliers and providers of conference facilities, tour operations as well as e-commerce services. Its registration number is 4880/91. Its registered office and principal place of business is No. 1 Pennefather Avenue, Harare, Zimbabwe. The Group is listed on the Zimbabwe Stock Exchange (ZSE).

1.2 Functional currency

These financial statements are presented in Zimbabwe Dollars (ZWL) being the functional and reporting currency of the primary economic environment in which the Group operates.

1.3 Basis of preparation

The financial statements of the Group are prepared under the historical cost convention. For the purpose of fair presentation in accordance with International Accounting Standard (IAS) 29 "Financial Reporting In Hyperinflationary Economies", the historical cost information has been restated for changes in the general purchasing power of the ZWL and appropriate adjustments and reclassifications have been made. Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Company and the Group. The historical cost financial statements have been provided by way of supplementary information.

IAS 29 requires that the financial statements of an entity whose functional currency is the currency of a hyperinflationary economy be stated in terms of the measuring unit current at the reporting date and that the corresponding figures for the comparative periods be stated in the same terms. On the 3rd of March 2023, the Government of Zimbabwe through the Minister of Finance and Economic Development ("MoFED") promulgated Statutory Instrument ("S.I.") 27 of 2023. Through S.I 27, the old benchmark headline Consumer Price Index ("CPI") that was being published month on month since the promulgation of Statutory Instrument 33 of 2019 and tracking ZW\$ inflation was discontinued, with the last publication of this old benchmark being January 2023. Consequently, this left the Group with no official ZW\$ inflation index to use for its statutory reporting for the year ended December 2023.

Indices used are obtainable from the Reserve Bank of Zimbabwe website www.rbz.co.zw for the period October 2022 to January 2023. The Group estimated indices for February 2023 to December 2023. IAS 29 paragraph 17 permits the use of an estimate-based price index in circumstances where the rate is not available. In the absence of the official ZWL Indices the Group opted to use the Total Consumption Poverty Line to estimate the CPIs as recommended by The Institute of Chartered Accountants Zimbabwe (ICAZ) given its strong correlation with inflation rate.

The current and prior year financial statements have been inflation adjusted for changes in the general purchasing power of the ZWL. The conversion factors used are as follows:

Date	Index	Factor
Dec-22	13,672.91	4.8000
Jan-23	14,458.46	4.5112
Feb-23	14,493.91	4.5281
Mar-23	14,619.41	4.4893
Apr-23	16,015.10	4.0980
May-23	18,944.26	3.4644
Jun-23	43,086.20	1.5232
Jul-23	46,352.85	1.4159
Aug-23	42,025.12	1.5617
Sep-23	44,459.21	1.4762
Oct-23	48,959.24	1.3405
Nov-23	53,876.69	1.2182
Dec-23	65,630.60	1.0000

1.4 Statement of compliance

These financial statements have been prepared under the assumption that the Group operates on a going concern basis. The financial statements for the year ended 31 December 2023 (including comparatives) were approved and authorised for issue by the Board of Directors on 25 April 2024. Amendments to the financial statements are not permitted after approval.

2. CHANGES IN ACCOUNTING POLICIES

a) New standards, interpretations and amendments adopted from 1 January 2023

The following amendments are effective for the period beginning 1 January 2023:

- IFRS 17 Insurance Contracts;
- Disclosure of Accounting Policies (Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements);
- Definition of Accounting Estimates (Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors);
- Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12 Income Taxes); and
- International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes) (effective immediately upon the issue of the amendments and retrospectively).

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2023.

(i) IFRS 17 Insurance Contracts

IFRS 17 was issued by the IASB in 2017 and replaces IFRS 4 for annual reporting period beginning on or after 1 January 2023.

IFRS 17 introduces an internationally consistent approach to the accounting for insurance contracts. Prior to IFRS 17, significant diversity has existed worldwide relating to the accounting for and disclosure of insurance contracts, with IFRS 4 permitting many previous accounting approaches to be followed.

Since IFRS 17 applies to all insurance contracts issued by an entity (with limited scope exclusions), its adoption may have an effect on non-insurers such as the Group. The Group carried out an assessment of its contracts and operations and concluded that the adoption of IFRS 17 has had no effect on the annual consolidated financial statements of the Group.

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

In February 2021, the IASB issued amendments to IAS 1 and IFRS Practice Statement 2. The amendments aim to make accounting policy disclosures more informative by replacing the requirement to disclose 'significant accounting policies' with 'material accounting policy information'. The amendments also provide guidance under what circumstance, the accounting policy information is likely to be considered material and therefore requiring disclosure.

These amendments have no effect on the measurement or presentation of any items in the Consolidated financial statements of the Group but affect the disclosure of accounting policies of the Group.

(iii) Definition of Accounting Estimates (Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors)

The amendments to IAS 8, which added the definition of accounting estimates, clarify that the effects of a change in an input or measurement technique are changes in accounting estimates, unless resulting from the correction of prior period errors. These amendments clarify how entities make the distinction between changes in accounting estimate, changes in accounting policy and prior period errors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

These amendments had no effect on the consolidated financial statements of the Group.

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

In May 2021, the IASB issued amendments to IAS 12, which clarify whether the initial recognition exemption applies to certain transactions that result in both an asset and a liability being recognised simultaneously (e.g. a lease in the scope of IFRS 16). The amendments introduce an additional criterion for the initial recognition exemption, whereby the exemption does not apply to the initial recognition of an asset or liability which at the time of the transaction, gives rise to equal taxable and deductible temporary differences.

These amendments had no effect on the annual consolidated financial statements of the Group.

(v) International Tax Reform – Pillar Two Model Rules (Amendment to IAS 12 Income Taxes)

In December 2021, the Organisation for Economic Co-operation and Development (OECD) released a draft legislative framework for a global minimum tax that is expected to be used by individual jurisdictions. The goal of the framework is to reduce the shifting of profit from one jurisdiction to another in order to reduce global tax obligations in corporate structures. In March 2022, the OECD released detailed technical guidance on Pillar Two of the rules.

Stakeholders raised concerns with the IASB about the potential implications on income tax accounting, especially accounting for deferred taxes, arising from the Pillar Two model rules. The IASB issued the final Amendments (the Amendments) International Tax Reform – Pillar Two Model Rules, in response to stakeholder concerns on 23 May 2023.

The Amendments introduce a mandatory exception to entities from the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two model rules. The exception is effective immediately and retrospectively. The Amendments also provide for additional disclosure requirements with respect to an entity's exposure to Pillar Two income taxes.

Management has determined that the Group is not within the scope of OECD's Pillar Two Model Rules and the exception to the recognition and disclosure of information about deferred tax assets and liabilities related to Pillar Two income taxes is not applicable to the Group.

b) New standards, interpretations and amendments not yet effective

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.

The following amendments are effective for the period beginning 1 January 2024:

- Liability in a Sale and Leaseback (Amendments to IFRS 16 Leases);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1 Presentation of Financial Statements);
- Non-current Liabilities with Covenants (Amendments to IAS 1 Presentation of Financial Statements); and
- Supplier Finance Arrangements (Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures)

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates)

The Group is currently assessing the impact of these new accounting standards and amendments. The Group does not believe that the amendments to IAS 1 will have a significant impact on the classification of

its liabilities, as the conversion feature in its convertible debt instruments is classified as an equity instrument and therefore, does not affect the classification of its convertible debt as a non-current liability. The Group does not expect any other standards issued by the IASB, but are yet to be effective, to have a material impact on the Group.

3. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Overall considerations

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below.

3.2 Foreign currency translations

Foreign currency transactions are translated into the functional currency of the Group, using the exchange rates prevailing at the dates of the transactions (spot exchange rate). Foreign exchange gains and losses resulting from the settlement of such transactions and from the remeasurement of monetary items denominated in foreign currency at year-end exchange rates are recognised in profit or loss.

Non-monetary items are not retranslated at year-end and are measured at historical cost (translated using the exchange rates at the transaction date), except for non-monetary items measured at fair value which are translated using the exchange rates at the date when fair value was determined.

In the Group's financial statements, all assets, liabilities and transactions of the entities with a functional currency other than the ZWL dollar, are translated into ZWL dollars upon consolidation. The functional currency of the Group has remained unchanged during the reporting period.

3.3 Revenue

Performance obligations and timing of revenue recognition

The majority of the Group's revenue is derived from hotel operations and includes the sale of food, beverages and rental of rooms. Revenue is recognized at a point in time when rooms are occupied and food and beverages are sold. There is limited judgement needed in identifying the point control passes: once the service has been rendered of the specified goods the Group usually will have a present right to payment.

Determining the transaction price

Most of the Group's revenue is derived from fixed price services and therefore the amount of revenue to be earned from each service is determined by reference to approved price lists.

Allocating amounts to performance obligations

There is a fixed unit price for each type of commodity or service provided, with discounts given for some arrangements. Therefore, there is no significant judgement involved in allocating the contract price to each service or commodity provided.

The Group recognises contract liabilities for consideration received in respect of unsatisfied performance obligations and reports these amounts as other liabilities in the statement of financial position. Similarly, if the Group satisfies a performance obligation before it receives the consideration, the Group recognises either a contract asset or a receivable in its statement of financial position, depending on whether something other than the passage of time is required before the consideration is due.

3.4 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. Other borrowing costs are expensed in the period in which they are incurred and reported in finance costs.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

3.5 Inventories

Inventories are initially recognised at cost, and subsequently at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. The cost of inventory is determined using weighted average cost.

3.6 Property and equipment

Items of property and equipment are initially recognised at cost. As well as the purchase price, cost includes directly attributable costs and the estimated present value of any future unavoidable costs of dismantling and removing items. The corresponding liabilities are recognised in provisions.

Subsequent costs are included in the assets' carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost can be measured reliably. All other repairs and maintenance costs are charged to the statement of comprehensive income during the period in which they are incurred. The assets' useful lives and residual values are reviewed, and adjusted if appropriate, at each statement of financial position date.

Land and capital work-in-progress are not depreciated. Depreciation on assets under construction does not commence until they are complete and available for use. Depreciation is provided on all other items of property and equipment so as to write off their carrying value over their expected useful economic lives. It is provided on a straight line basis over the remaining useful lives at the following rates:

Buildings	2-4%
Leasehold improvements	5-20%
Furniture and equipment	10-15%
Motor vehicles	25-33%

Items of property and equipment are revalued after every three years by an independent appraiser based on market evidence of the most recent prices achieved in arm's length transactions of similar properties. Any revaluation surplus is recognised in other comprehensive income and credited to the revaluation reserve in equity. To the extent that any revaluation decrease or impairment loss has previously been recognised in profit or loss, a revaluation increase is credited to profit or loss with the remaining part of the increase recognised in other comprehensive income. Downward revaluations of property and equipment are recognised upon appraisal or impairment testing, with the decrease being charged to other comprehensive income to the extent of any revaluation surplus in equity relating to this asset and any remaining decrease recognised in profit or loss. Any revaluation surplus remaining in equity on disposal of the asset is transferred to retained earnings.

3.6.1 Impairment of property and equipment

The carrying amount of property and equipment is reviewed at each statement of financial position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated. Impairment loss is recognised directly through the statement of comprehensive income when the carrying amounts of the assets exceed the fair values of the respective assets.

3.6.2 Derecognition of property and equipment

An item of property and equipment is derecognized upon disposal or when no future economic benefits are expected from use or disposal.

3.7 Externally acquired intangible assets

Externally acquired and internally developed intangible assets are initially recognised at historical cost and subsequently amortised on a straight-line basis over their useful economic lives.

Intangible assets are recognised on business combinations if they are separable from the acquired Group or give rise to other contractual/legal rights. The amounts ascribed to such intangibles are arrived at by using appropriate valuation techniques.

The useful economic life of the Group's intangible assets is as follows:

Microsoft user rights	8 years
Mobile and web application	8 years

3.8 Leases

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made in advance of the lease commencement date (net of any incentives received).

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is remeasured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset, or profit and loss if the right-of-use asset is already reduced to zero.

3.9 Fair value measurement

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities. The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the Finance Director.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which the valuations should be classified.

Significant valuation issues are reported to the Group's audit committee. When measuring the fair value of an asset or a liability, the Group uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement. The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

3.10 Post-employment benefits - defined contribution schemes

Contributions to defined contribution pension schemes are charged to the statement of comprehensive income in the year to which they relate.

3.11 Provisions

Provisions are recognised when the Group has a present legal or constructive obligation as a result of past events and reliable estimate of the obligation can be made. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

3.12 Share capital

Financial instruments issued by the Group are classified as equity only to the extent that they do not meet the definition of a financial liability or financial asset. The Group's ordinary shares are classified as equity instruments.

3.13 Earnings per share

Earnings per share is calculated by dividing profit/ (loss) after tax by the weighted average number of shares in issue throughout the year.

3.14 Financial instruments

3.14.1 Financial assets

The Group classifies its financial assets into one of the categories discussed below, depending on the purpose for which the asset was acquired. Other than financial assets in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

Financial assets, other than those designated and effective as hedging instruments, are classified into the following categories:

- amortised cost
- fair value through profit or loss (FVTPL)
- fair value through other comprehensive income (FVOCI).

Except for those trade receivables that do not contain a significant financing component and are measured at the transaction price in accordance with IFRS 15, all financial assets are initially measured at fair value adjusted for transaction costs (where applicable).

In the periods presented, the Group does not have any financial assets categorised as FVOCI. The classification is determined by both:

- the Group's business model for managing the financial asset
- the contractual cash flow characteristics of the financial asset.

All income and expenses relating to financial assets that are recognised in profit or loss are presented within finance costs, finance income or other financial items, except for impairment of trade receivables which is presented within other expenses.

3.14.2 Fair value through profit or loss

This category comprises only in-the-money derivatives (see financial liabilities section for out-of-the-money derivatives). They are carried in the statement of financial position at fair value with changes in fair value recognised in the consolidated statement of comprehensive income in the finance income or expense line. Other than derivative financial instruments which are not designated as hedging instruments, the Group does not have any assets held for trading nor does it voluntarily classify any financial assets as being at fair value through profit or loss.

3.14.3 Amortised cost and effective interest method

These assets are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise principally through the provision of services to customers (e.g. trade receivables), but also incorporate other types of contractual monetary assets. They are initially recognised at fair value plus transaction costs that are directly attributable to their acquisition or issue and are subsequently carried at amortised cost using the effective interest rate method, less provision for impairment. Impairment provisions are recognised when there is objective evidence (such as significant financial difficulties on the part of the counterparty or default or significant delay in payment) that the Group will be unable to collect all of the amounts due under the terms receivable, the amount of such a provision being the difference between the net carrying amount and the present value of the future expected cash flows associated with the impaired receivable.

For trade receivables, which are reported net; such provisions are recorded in a separate allowance account with the loss being recognised within administrative expenses in the consolidated statement of profit or loss and other comprehensive income. On confirmation that the trade receivable will not be collectable, the gross carrying value of the asset is written off against the associated provision.

From time to time, the Group elects to renegotiate the terms of trade receivables due from customers with which it has previously had a good trading history. Such renegotiations will lead to changes in the timing of payments rather than changes to the amounts owed and, in consequence, the new expected cash flows are discounted at the original effective interest rate and any resulting difference to the carrying value is recognised in the consolidated statement of comprehensive income (operating profit).

The Group's financial assets at amortised cost comprise trade and other receivables and cash and cash equivalents in the consolidated statement of financial position. Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short term highly liquid investments with original maturities of three months or less, and – for the purpose of the statement of cash flows – bank overdrafts. Bank overdrafts are shown within loans and borrowings in current liabilities on the consolidated statement of financial position.

3.14.4 Fair value through other comprehensive income

Non-derivative financial assets not included in the above categories are classified as available-for-sale and comprise principally the Group's strategic investments in entities not qualifying as subsidiaries, associates or jointly controlled entities. They are carried at fair value with changes in fair value, other than those arising due to exchange rate fluctuations and interest calculated using the effective interest rate, recognised in other comprehensive income and accumulated in the available-for-sale reserve. Exchange differences on investments denominated in a foreign currency and interest calculated using the effective interest rate method is recognised in profit or loss.

Where there is a significant or prolonged decline in the fair value of an available-for-sale financial asset (which constitutes objective evidence of impairment), the full amount of the impairment, including any amount previously recognised in other comprehensive income, is recognised in profit or loss. Purchases and sales of available-for-sale financial assets are recognised on settlement date with any change in fair value between trade date and settlement date being recognised in the available-for-sale reserve. On sale, the cumulative gain or loss recognised in other comprehensive income is reclassified from the available-for-sale reserve to profit or loss.

3.14.5 Financial liabilities

The Group classifies its financial liabilities into one of two categories, depending on the purpose for which the liability was acquired. Other than financial liabilities in a qualifying hedging relationship, the Group's accounting policy for each category is as follows:

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

3.14.6 Fair value through profit or loss

This category comprises only out-of-the-money derivatives (see financial assets for in the money derivatives). They are carried in the consolidated statement of financial position at fair value with changes in fair value recognised in the statement of profit or loss and other comprehensive income. The Group does not hold or issue derivative instruments for speculative purposes, but for hedging purposes. Other than these derivative financial instruments, the Group does not have any liabilities held for trading nor has it designated any financial liabilities as being at fair value through profit or loss.

3.14.7 Other financial liabilities

Other financial liabilities include the following items:

Bank borrowings are initially recognised at fair value net of any transaction costs directly attributable to the issue of the instrument. Such interest-bearing liabilities are subsequently measured at amortised cost using the effective interest rate method, which ensures that any interest expense over the period to repayment is at a constant rate on the balance of the liability carried in the consolidated statement of financial position. Interest expense in this context includes initial transaction costs and other payable on maturity, as well as any interest or coupon payable while the liability is outstanding.

Liability components of convertible loan notes are measured as described further below. Trade payables and other short-term monetary liabilities, which are initially recognised at fair value and subsequently carried at amortised cost using the effective interest method.

3.14.8 Fair value measurement hierarchy

IFRS 7 requires certain disclosures which require the classification of financial assets and financial liabilities measured at fair value using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurement. The fair value hierarchy has the following levels:

- (a) quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1);
- (b) inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2); and
- (c) inputs for the asset or liability that are not based on observable market data (unobservable inputs) (Level 3).

The level in the fair value hierarchy within which the financial asset or financial liability is categorised is determined on the basis of the lowest level input that is significant to the fair value measurement.

3.14.9 Impairment of non-financial assets

Impairment tests on goodwill and other intangible assets with indefinite useful economic lives are undertaken annually at the financial year end. Other non-financial assets are subject to impairment tests whenever events or changes in circumstances indicate that their carrying amount may not be recoverable. Where the carrying value of an asset exceeds its recoverable amount (i.e. the higher of value in use and fair value less costs to sell), the asset is written down accordingly.

Where it is not possible to estimate the recoverable amount of an individual asset, the impairment test is carried out on the smallest group of assets to which it belongs for which there are separately identifiable cash flows; its cash generating units (CGUs). Goodwill is allocated on initial recognition to each of the group's CGUs that are expected to benefit from the synergies of the combination giving rise to the goodwill.

Impairment charges are included in profit or loss, except to the extent they reverse gains previously recognised in other comprehensive income. An impairment loss recognised for goodwill is not reversed.

3.14.10 Cash and cash equivalents

For the purpose of cash flow statement, cash and cash equivalents comprise of bank balances and amounts due from other banks and dealing securities.

3.15 Cost of sales

Cost of sales includes the cost of materials, cost of direct labour in the production of food served and the costs of maintaining hotel rooms.

3.16 Service stocks

During the year management carried out service stock impairment test which resulted in some stocks being written off.

3.17 Income tax

3.17.1 Current tax

Current 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 by the reporting date.

3.17.2 Deferred tax

Deferred income tax is provided using the liability method on temporary differences at the statement of financial position 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 ventures where the timing of the reversal of the temporary differences can be controlled and it is probable that reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. Deferred income 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 utilized except: "where the deferred income 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 ventures.

Deferred tax assets are recognised only to the extent that it is probable that the temporary difference 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 income tax assets at each statement of financial position date are 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 income tax asset to be utilised.

Unrecognised deferred income tax assets are reassessed at each statement of financial position date and recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

Deferred income 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 statement of financial position date. Income tax relating to items recognised directly in equity is recognised in equity and not in the statement of comprehensive income. Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax relate to the same taxable group and the same taxation authority. Deferred capital gains tax arises on the revalued property. The capital gains tax liability is computed on the revaluation adjustment based on rates ruling on the statement of financial position date.

4. SIGNIFICANT JUDGEMENTS IN APPLYING THE GROUP'S ACCOUNTING POLICIES

In preparing the financial statements, management is required to make estimates and assumptions that affect the amounts presented in the financial statements and related disclosures. Use of available information and the application of judgment is inherent in the formation of estimates. Actual results in the future could differ from these estimates which may be material to the financial statements.

The following are key assumptions concerning the future, and other key sources of estimation uncertainty at the balance sheet date that have risk of causing material adjustment to the carrying amounts of asset and liabilities within the next financial year.

4.1 Allowance for credit losses

The Group assesses the financial assets held at amortised cost for expected credit losses. The Group uses the simplified approach when assessing for expected credit losses.

Simplified approach

The simplified approach is used to assess for expected credit losses for trade receivables, contract assets and lease receivables. The method uses a provision matrix which determines the expected default rate which is determined by taking into consideration historical and forward-looking information. The expected default rate is determined separately for each market in which the Group operates as each market faces a different economic and operating environment being granted and the fact that customers have been paying consistently in the year under review.

4.2 Impairment testing

The Group reviews and tests the carrying value of assets when events or changes in circumstances suggest that the carrying amount may not be recoverable.

4.3 Residual values and useful lives

The Group is required to assess residual values and the remaining useful lives of its property and equipment on an annual basis. This affects the amount of depreciation that is recognized in the statement of financial position. Management assessed residual values at nil for all assets as it intends to use the assets until the end of their economic useful lives.

4.4 Going concern

The operations of the Group were significantly affected and may continue to be affected for the foreseeable future, by the adverse effects of the liquidity challenges in the economy and the need for recapitalization of the Group. The ability of the Group to continue operating as a going concern, in such an environment, is subject to continual assessment.

The assessment requires judgmental estimates and assumptions regarding future cash flows and the discount rate used to determine the present value of the cash flows.

4.5 Valuation of property and equipment

On 31 December 2023, the Group carried out a director's revaluation on all categories of property and equipment. The estimate and associated assumptions were based on historical information, market observable inputs and other factors that were considered relevant. The Group also assessed the useful and residual values of property and equipment taking into account past experience and technology changes. The useful lives are set out in note 3.10 and no changes to those useful lives have been considered necessary during the year.

4.6 Functional currency

The directors considered the following key attributes of a functional currency as guided by the provisions of IAS 21: Effects of Changes in Exchange Rates:

- The currency that mainly influences sales prices for goods and services;
- The currency of the competitive forces and regulations that mainly determine the sales prices of goods and services;
- The currency that mainly influences labour, material and other costs of providing goods and services;
- The currency in which funds from financing activities are generated; and
- The currency in which receipts from operating activities are usually retained.

Having considered the above attributes, the directors concluded that the Zimbabwean dollar is the functional and presentation currency of the Group.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

5. PROPERTY AND EQUIPMENT

INFLATION ADJUSTED

	Land & buildings	Leasehold improvements	Capital work in progress	Office equipment furniture and fittings	Motor vehicles	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Net carrying amount as at 31/12/21	39 308 875 325	12 184 803 355	832 217 518	7 391 310 110	700 580 108	60 417 786 416
Gross carrying amount - cost	40 759 730 044	13 290 090 866	832 217 518	9 078 428 873	997 285 480	64 957 752 781
Accumulated depreciation	(1 450 854 719)	(1 105 287 511)	-	(1 687 118 763)	(296 705 372)	(4 539 966 365)
Additions	-	795 315 704	4 216 282 829	1 742 076 787	69 239 077	6 822 914 397
Disposals	-	(3 057 984)	-	(570 826 920)	(10 656 242)	(584 541 146)
Revaluation surplus	58 804 449 504	-	-	4 788 331 018	758 649 554	64 351 430 076
Depreciation charge for the year	(456 139 963)	(355 692 585)	-	(861 599 942)	(133 288 738)	(1 806 721 228)
Net carrying amount as at 31/12/22	97 657 184 866	12 621 368 490	5 048 500 347	12 489 291 053	1 384 523 759	129 200 868 515
Gross carrying amount - cost	99 564 179 548	14 082 348 586	5 048 500 347	15 038 009 758	1 814 517 869	135 547 556 108
Accumulated depreciation	(1 906 994 682)	(1 460 980 096)	-	(2 548 718 705)	(429 994 110)	(6 346 687 593)
Additions	-	2 839 582 312	10 603 673 646	8 497 748 614	3 841 569 842	25 782 574 414
Disposals	-	(7 776 775)	-	(2 180 290 773)	(33 205 601)	(2 221 273 149)
Revaluation surplus	105 559 750 215	(11 820 884 094)	-	25 820 399 821	(937 521 059)	118 621 744 883
Depreciation charge for the year	(1 051 632 529)	(183 381 356)	-	(1 465 710 615)	(331 219 141)	(3 031 943 641)
Net carrying amount as at 31/12/23	202 165 302 552	3 448 908 577	15 652 173 993	43 161 438 100	3 924 147 800	268 351 971 022
Gross carrying amount - cost / valuation	205 123 929 763	5 093 270 029	15 652 173 993	47 175 867 420	4 685 361 051	277 730 602 256
Accumulated depreciation	(2 958 627 211)	(1 644 361 452)	-	(4 014 429 320)	(761 213 251)	(9 378 631 234)

PROPERTY AND EQUIPMENT (Cont'd)

HISTORICAL COST

	Land & buildings	Leasehold improvements	Capital work in progress	Office equipment, furniture and fittings	Motor vehicles	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Net carrying amount at 31/12/2021	2 382 287 629	714 776 397	32 687 043	489 369 566	42 458 180	3 661 578 815
Gross carrying amount - Cost	2 454 893 157	761 181 318	32 687 043	581 249 711	57 206 273	3 887 217 502
Accumulated depreciation	(72 605 528)	(46 404 921)	-	(91 880 145)	(14 748 093)	(225 638 687)
Additions	-	91 234 635	483 670 853	199 842 326	7 942 760	782 690 574
Disposal	-	(350 797)	-	(65 482 406)	(1 222 431)	(67 055 634)
Revaluation surplus	18 015 285 312	2 031 307	-	2 219 444 525	254 554 157	20 491 315 301
Depreciation charge for the year	(52 326 092)	(40 803 272)	-	(98 838 430)	(15 290 217)	(207 258 011)
Net carrying amount at 31/12/2022	20 345 246 849	766 888 270	516 357 896	2 744 335 581	288 442 449	24 661 271 045
Gross carrying amount - Cost	20 470 178 469	854 096 463	516 357 896	2 935 054 156	318 480 759	25 094 167 743
Accumulated depreciation	(124 931 620)	(87 208 193)	-	(190 718 575)	(30 038 310)	(432 896 698)
Additions	-	1 128 783 368	2 983 170 785	5 014 724 372	1 505 181 945	10 631 860 470
Disposals	-	(3 047 052)	-	(854 269 072)	(13 010 429)	(870 326 553)
Revaluation surplus	182 232 100 351	1 628 135 425	-	36 830 933 578	2 273 310 226	222 964 479 580
Depreciation charge for the year	(412 044 649)	(71 851 435)	-	(574 286 358)	(129 776 391)	(1 187 958 833)
Net carrying amount at 31/12/2023	202 165 302 551	3 448 908 576	3 499 528 681	43 161 438 101	3 924 147 800	256 199 325 709
Gross carrying amount - Cost/ valuation	202 702 278 820	3 607 968 204	3 499 528 681	43 926 443 034	4 083 962 501	257 820 181 240
Accumulated depreciation	(536 976 269)	(159 059 628)	-	(765 004 933)	(159 814 701)	(1 620 855 531)

Fair values of the lease improvements, land and buildings are based on valuations performed by Sherwood Greene Valuers, an accredited independent valuer as at 31 December 2023. As a real estate expert, Sherwood Greene Valuers has experience in property valuations in the location and category of the properties held by the Group. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied.

Other components of the property and equipment were valued by directors.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
6. INTANGIBLE ASSETS				
Opening balance	830 073 648	323 281 729	172 932 010	19 592 269
Additions	166 089 777	317 230 925	86 897 741	36 391 143
Revaluations (loss)/gains	(422 973 842)	205 953 627	298 479 733	118 829 079
Amortisation	(24 466 373)	(16 392 633)	(9 586 274)	(1 880 481)
Closing balance	548 723 210	830 073 648	548 723 210	172 932 010

	INFLATION ADJUSTED			HISTORICAL COST		
	31 December 2023 ZWL	31 December 2022 ZWL	1 January 2022 ZWL	31 December 2023 ZWL	31 December 2022 ZWL	1 January 2022 ZWL
7. LEASES						
7.1 Right-of-use assets		<i>Restated</i>	<i>Restated</i>		<i>Restated</i>	<i>Restated</i>
Cost	1 177 726 057	1 177 726 057	1 177 726 057	1 764 935	1 764 935	1 764 935
Accumulated depreciation	(42 110 153)	(41 884 923)	(41 115 641)	(441 234)	(352 987)	(264 740)
	1 135 615 904	1 135 841 134	1 136 610 416	1 323 701	1 411 948	1 500 195
7.2 Lease liabilities						
Current liability	791 826 654	443 091 991	250 618 040	791 826 654	92 309 359	15 188 294
Non-current liability	8 290 561 235	4 639 249 349	2 624 013 981	8 290 561 235	966 494 865	159 024 044
	9 082 387 889	5 082 341 340	2 874 632 021	9 082 387 889	1 058 804 224	174 212 338

The table below describes the nature of the Group's leasing activities by type of right-of-use asset recognised on the balance sheet.

Right of use asset	Lease term	Remaining term	Option for an extension
Kadoma Hotel	20-25 years	14 years	Yes

The Group has a lease for Kadoma Hotel & Conference Centre. With the exception of short-term leases and leases of low-value underlying assets, the lease is reflected on the balance sheet as a right-of-use asset and a lease liability. The Group classifies its right-of-use asset in a consistent manner to its property and equipment.

In accordance with the lease contract, the Group must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Furthermore, the Group must insure items of property and equipment and incur maintenance costs on such items.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

8. PRIOR PERIOD ADJUSTMENT

The prior period adjustment relates to the derecognition of the right of use assets and lease liabilities for the two units of the Group: Rainbow Towers Hotel and New Ambassador Hotel. The derecognition is in respect of the need to comply with International Financial Reporting Standard 16, Leases and has been effected by restating each of the affected financial statement line items for prior periods.

The following are the impacts on the Group's consolidated financial statements:

	INFLATION ADJUSTED			HISTORICAL COST		
	Balance Previously Reported at 1 January 2022 ZWL	Adjustment for Prior Period Error ZWL	Restated Balance at 1 January 2022 ZWL	Balance Previously Reported at 1 January 2022 ZWL	Adjustment for Prior Period Error ZWL	Restated Balance at 1 January 2022 ZWL
i) Consolidated statement of financial position						
1 January 2022						
Right of use assets	10 626 356 692	(9 489 746 276)	1 136 610 416	644 003 113	(642 502 918)	1 500 195
Others	76 528 236 152	-	76 528 236 152	4 637 941 654	-	4 637 941 654
Total Assets	87 154 592 844	(9 489 746 276)	77 664 846 568	5 281 944 767	(642 502 918)	4 639 441 849
Lease liabilities	8 961 093 004	(6 086 460 982)	2 874 632 021	543 080 941	(368 868 603)	174 212 338
Trade and other payables	5 570 890 682	(914 909 117)	4 655 981 565	639 064 682	585 579 919	1 224 644 601
Deferred tax	3 103 776 117	(429 638 941)	2 674 137 176	356 049 654	(42 694 442)	313 355 212
Others	1 505 983 578	-	1 505 983 578	131 970 597	-	131 970 597
Total Liabilities	19 141 743 381	(7 431 009 041)	11 710 734 340	1 670 165 874	174 016 874	1 844 182 748
Retained Earnings	5 173 656 365	(2 058 737 235)	3 114 919 130	429 659 873	(816 519 792)	(386 859 919)
Others	62 839 193 098	-	62 839 193 098	3 182 119 020	-	3 182 119 020
Total Equity	68 012 849 463	(2 058 737 235)	65 954 112 228	3 611 778 893	(816 519 792)	2 795 259 101
Total Equity and Liabilities	87 154 592 844	(9 489 746 276)	77 664 846 568	5 281 944 767	(642 502 918)	4 639 441 849
	Balance Previously Reported at 31 December 2022 ZWL	Adjustment for Prior Period Error ZWL	Restated Balance at 31 December 2022 ZWL	Balance Previously Reported at 31 December 2022 ZWL	Adjustment for Prior Period Error ZWL	Restated Balance at 31 December 2022 ZWL
31 December 2022						
Right of use assets	65 374 523 591	(64 238 682 457)	1 135 841 134	14 954 219 970	(14 952 808 022)	1 411 948
Others	156 315 876 578	-	156 315 876 578	29 840 471 345	-	29 840 471 345
Total Assets	221 690 400 169	(64 238 682 457)	157 451 717 712	44 794 691 315	(14 952 808 022)	29 841 883 293
Lease liabilities	64 254 900 304	(59 172 558 964)	5 082 341 340	14 285 581 665	(13 226 777 441)	1 058 804 224
Trade and other payables	28 249 614 016	(4 048 349 961)	24 201 264 055	6 661 522 237	(607 610 218)	6 053 912 019
Deferred tax	21 606 175 314	(545 935 910)	21 060 239 404	4 548 100 194	(218 692 928)	4 329 407 266
Others	1 500 107 406	-	1 500 107 406	312 521 459	-	312 521 459
Total Liabilities	115 610 797 040	(63 766 844 834)	51 843 952 205	25 807 725 556	(14 053 080 587)	11 754 644 969
Retained Earnings	3 614 068 709	(471 837 622)	3 142 231 087	(561 079 958)	(149 727 434)	(710 807 392)
Others	102 465 534 420	-	102 465 534 420	19 548 045 717	-	19 548 045 717
Total Equity	106 079 603 129	(471 837 622)	105 607 765 507	18 986 965 759	(149 727 434)	18 837 238 325
Total Equity and Liabilities	221 690 400 169	(64 238 682 457)	157 451 717 712	44 794 691 315	(14 202 808 022)	30 591 883 293
ii) Consolidated statement of profit or loss and other comprehensive income						
Net finance costs	(578 045 355)	525 710 610	(52 334 745)	(78 425 395)	40 598 411	(37 826 984)
Administrative expenses	(47 530 617 697)	(1 970 922 995)	(49 501 540 692)	(7 141 654 930)	(124 959 039)	(7 266 613 969)
Other operating expenses	(11 164 535 583)	(1 407 413 881)	(12 571 949 464)	(1 782 802 138)	(284 059 734)	(2 066 861 872)
Income tax expense	(3 760 641 852)	1 911 702 946	(1 848 938 906)	(498 932 253)	218 692 928	(280 239 325)
Monetary loss	(1 692 307 013)	469 085 698	(1 223 221 316)	-	-	-
Others	69 704 012 200	-	69 704 012 200	9 876 649 362	-	9 876 649 362
Profit for the year	4 977 864 699	(471 837 622)	4 506 027 077	374 834 646	(149 727 434)	225 107 212

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

9. INVENTORIES

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
Food and beverages	9 142 140 530	2 489 331 367	3 582 021 265	285 563 630
Service stocks	4 862 457 895	1 324 008 218	1 905 180 468	151 883 591
Other stocks	4 423 478 105	1 204 477 525	1 733 181 916	138 171 631
	18 428 076 530	5 017 817 110	7 220 383 649	575 618 852

10. TRADE AND OTHER RECEIVABLES

Trade	16 423 524 095	16 517 552 830	16 423 524 095	3 441 156 840
Less: Allowance for credit losses	(302 910 027)	(1 083 902 128)	(302 910 027)	(225 812 943)
	16 120 614 068	15 433 650 702	16 120 614 068	3 215 343 897
Other receivables	640 499 464	2 750 535 014	640 499 464	573 028 128
Less : Allowance for credit losses	(93 557 438)	(735 590 981)	(93 557 438)	(153 248 121)
Total financial assets other than cash and cash equivalents classified as loans receivables	16 667 556 094	17 448 594 735	16 667 556 094	3 635 123 904
Prepayments	2 663 297 647	1 380 636 442	2 663 297 647	287 632 592
Total	19 330 853 741	18 829 231 177	19 330 853 741	3 922 756 496
The fair value of trade and other receivables classified as loans and receivables is as follows:				
Trade	16 120 614 068	15 433 650 702	16 120 614 068	3 215 343 897
Other	546 942 026	2 014 944 033	546 942 026	419 780 007
	16 667 556 094	17 448 594 735	16 667 556 094	3 635 123 904

The table below describes the credit loss allowances recognised on balance sheet.

Trade receivables

	Current	More than 30 days past due	More than 60 days past due	More than 90 days past due	More than 120 days past due	Total
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Gross carrying amount	14 408 713 146	235 719 311	430 023 902	1 255 930 603	93 137 133	16 423 524 095
Average expected loss rate	0.5%	1.5%	2.0%	10.0%	100.0%	1.8%
Credit loss allowance	72 043 566	3 535 790	8 600 478	125 593 060	93 137 133	302 910 027

11. OTHER FINANCIAL ASSETS

11.1 Listed securities

Balance at 1 January	2 625 812	2 598 917	547 044	157 506
Additions	-	-	-	-
Fair value adjustment	106 630	26 895	2 185 398	389 538
Disposal	-	-	-	-
Balance at 31 December	2 732 442	2 625 812	2 732 442	547 044

11.2 Zimbabwe gold-backed digital token

Balance at 1 January	-	-	-	-
Additions	10 171 999 703	-	8 579 200 255	-
Fair value adjustment	(1 592 799 448)	-	-	-
Disposal	-	-	-	-
Balance at 31 December	8 579 200 255	-	8 579 200 255	-
	8 581 932 697	2 625 812	8 581 932 697	547 044

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

12. SHARE CAPITAL AND RESERVES

12.1 Share capital

Authorised

2 500 000 000 ordinary shares of ZWL 0.0001 each

Issued and fully paid

2 495 495 543 ordinary shares of ZWL 0.0001 each

INFLATION ADJUSTED		HISTORICAL COST	
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
1 200 000	1 200 000	250 000	250 000
276 050 556	276 050 556	249 550	249 550

The unissued shares are under the control of the directors for an indefinite period subject to the limitations imposed by the Companies and Other Business Entities Act (Chapter 24:31), the Zimbabwe Stock Exchange and approval by members in a general meeting.

12.2 Share premium

Balance at 1 January

Balance at 31 December

10 229 546 429	10 229 546 429	10 227 505	10 227 505
10 229 546 429	10 229 546 429	10 227 505	10 227 505

12.3 Revaluation reserve

Opening balance

Movement during the year

Closing balance

91 959 937 435	-	19 537 568 662	3 171 641 965
89 111 448 920	91 959 937 435	166 183 186 057	16 365 926 697
181 071 386 355	91 959 937 435	185 720 754 719	19 537 568 662

13. DEFERRED TAX

Analysis of deferred tax

Property and equipment

Intangible assets

Right of use assets

Lease liability

Provisions

INFLATION ADJUSTED			HISTORICAL COST		
31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
	Restated	Restated		Restated	Restated
59 212 306 626	22 210 418 389	3 128 369 360	57 021 423 113	4 627 170 498	358 870 868
135 036 044	153 445 538	21 613 025	135 036 044	31 967 820	2 479 338
292 421 095	280 779 928	280 970 095	340 853	349 034	370 848
(2 338 714 882)	(1 256 354 779)	(710 609 036)	(2 338 714 882)	(261 736 404)	(43 065 290)
(871 982 053)	(328 049 672)	(46 206 268)	(896 391 528)	(68 343 682)	(5 300 552)
56 429 066 830	21 060 239 404	2 674 137 176	53 921 693 600	4 329 407 266	313 355 212
Deferred tax reconciliation					
Balance at the beginning of the year	21 060 239 404	2 315 608 494	4 329 407 266	313 355 212	265 635 011
Movement through profit or loss	6 281 505 305	(230 202 372)	(7 487 486 922)	(152 915 108)	47 720 201
Movement through other comprehensive income	29 087 322 121	18 616 304 600	57 079 773 253	4 168 967 162	-
Balance at the end of the year	56 429 066 830	2 674 137 176	53 921 693 597	4 329 407 266	313 355 212

14. BORROWINGS

Long term

Short term

FBC Bank

2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
1 156 069 313		1 156 069 313	
2 312 138 626		2 312 138 626	
3 468 207 939	-	3 468 207 939	-

The Group has a loan facility of US\$ 3 million with FBC Bank. The facility was used to revamp Heritage Expeditions Africa's fleet. The interest cost for the facility is 12.8% per year. The facility is secured with notarial general covering bond including a cession of book debts for US\$ 550 300.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

15. TRADE AND OTHER PAYABLES	INFLATION ADJUSTED			HISTORICAL COST		
	31 December 2023	31 December 2022	1 January 2022	31 December 2023	31 December 2022	1 January 2022
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
		Restated	Restated		Restated	Restated
Trade payables	24 152 168 926	13 958 964 426	3 194 376 844	24 152 168 926	4 044 548 440	1 148 961 579
Provisions and other payables	22 089 842 175	10 242 299 629	1 461 604 721	22 089 842 175	1 259 363 579	75 683 022
	46 242 011 101	24 201 264 055	4 655 981 565	46 242 011 101	5 303 912 019	1 224 644 601

16. REVENUES	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
		Restated		Restated
Rooms revenue	106 347 204 837	27 914 169 576	68 836 292 651	6 983 564 125
Food, beverages and conferencing	139 252 322 209	76 913 289 478	90 135 078 008	8 823 107 428
Other operating activities	20 728 332 794	12 877 273 928	13 417 010 673	1 477 216 382
	266 327 859 840	117 704 732 982	172 388 381 332	17 283 887 935

Revenue represents amounts invoiced for sales, less value added tax as appropriate.

17. OTHER OPERATING INCOME	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
		Restated		Restated
Rental income	2 540 447 087	41 341 904	2 540 456 437	4 742 536
Other sundry income	5 682 050 057	1 919 111 827	2 226 308 386	345 173 424
	8 222 497 144	1 960 453 731	4 766 764 823	349 915 960

18. NET FINANCE COSTS	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
		Restated		Restated
Finance income	-	-	-	-
Finance costs	(687 280 364)	(52 334 745)	(441 058 674)	(37 826 984)
	(687 280 364)	(52 334 745)	(441 058 674)	(37 826 984)

19. PROFIT BEFORE TAX	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
		Restated		Restated
Profit before tax is arrived at after taking into account the following:				
Expenses				
Staff costs	180 881 260 788	80 143 211 793	70 871 862 057	9 193 627 942
Audit fees	1 384 332 324	200 740 907	542 401 181	23 027 992
Inventory write off	328 191 134	405 223 301	128 589 975	46 485 188
Depreciation of property and equipment	5 371 646 806	2 229 437 920	2 104 687 958	260 612 437
Directors' emoluments:				
For services as directors	4 425 385 680	462 731 578	1 733 929 331	53 082 249
Loss on disposal of assets	68 514 830	48 018 507	26 845 089	5 508 443
	200 350 658 442	83 539 864 426	70 380 397 501	9 542 744 251

20. INCOME TAX EXPENSE	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
		Restated		Restated
Current tax	1 335 891 232	2 079 141 278	1 335 891 232	433 154 433
Deferred tax	6 281 505 305	(230 202 372)	(7 487 486 922)	(152 915 108)
	7 617 396 537	1 848 938 906	(6 151 595 690)	280 239 325

Tax rate reconciliation	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
		Restated		Restated
Accounting profit	35 497 827 081	6 354 965 983	2 579 474 432	505 346 537
Tax at 24.72%	8 775 062 854	1 570 947 591	637 646 080	124 921 664
Adjusted for:				
Bad debts	-	484 095 374	-	95 853 203
Expected credit loss	(22 780 425)	(268 253 550)	(22 780 425)	(55 886 156)
Entertainment	2 347 024	6 091 123	580 184	634 492
Donations	36 712 782	4 168 233	9 075 400	434 191
Service stock provisions	4 624 053 970	66 188 961	119 872 265	11 491 139
Intermediated money transfer tax	1 197 310 867	377 979 126	469 533 673	78 745 651
Non-deductable/(non-taxable) differences	(6 995 310 535)	(392 277 952)	(7 365 522 867)	24 045 141
	7 617 396 537	1 848 938 906	(6 151 595 690)	280 239 325

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
21. EARNINGS PER SHARE				
21.1 Basic earnings per share				
Numerator				
Profit for the year and earnings used in basic EPS (cents)	2 788 043 054 363	450 602 707 704	873 107 012 245	22 510 721 249
Denominator	'000s	'000s	'000s	'000s
Weighted average number of shares used in basic EPS	2 459 537 000	2 459 537 000	2 459 537 000	2 459 537 000
Basic earnings per share (ZWL cents)	1,133.56	183.21	354.99	9.15
21.2 Headline earnings per share				
Numerator				
Profit for the year and earnings used headline EPS	2 788 043 054 363	450 602 707 704	873 107 012 245	22 510 721 249
Loss on disposal of property and equipment	-	(554 778 830)	-	(64 210 513)
	2 788 043 054 363	450 047 928 874	873 107 012 245	22 446 510 736
Denominator	'000s	'000s	'000s	'000s
Weighted average number of shares used in basic EPS	2 459 537 000	2 459 537 000	2 459 537 000	2 459 537 000
Headline earnings per share (ZWL cents)	1,133.56	182.98	354.99	9.13

22. CASH AND CASH EQUIVALENTS

Bank and cash balances	13 049 392 681	2 435 260 316	13 049 392 681	507 345 899
Bank overdraft	(1 476 322 035)	(1 056 415 516)	(1 476 322 035)	(220 086 566)
	11 573 070 646	1 378 844 800	11 573 070 646	287 259 333

The bank overdraft is unsecured and is denominated in US\$. The interest rate is pegged at 9% per annum.

23. RELATED PARTY INFORMATION

23.1 Related party

National Social Security Authority (NSSA)
Heritage Expeditions Africa (HEXA)

Nature of relationship

Shareholder (91,60%)
Subsidiary

Related party transactions

The following are transactions with related parties during the year:-

Related party	Nature of transaction				
Heritage Expeditions Africa	Management fees	2 554 595 320	1 839 152 569	1 000 926 942	101 460 776
23.2 Compensation to key management					
Short term benefits		63 308 441 276	28 050 124 127	24 805 151 720	3 217 769 780

Included in the short benefits is a bonus accrual linked to the RTG share.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
23.3 Senior management shareholding in the Company				
There are no share options available to the Group's employees.				
23.4 Non - executive directors				
Fees	4 224 301 397	462 731 578	1 655 141 636	53 082 249
The non - executive directors do not receive pension entitlements from the Group.				
23.5 Loans to key management				
Loans	-	533 873 731	-	61 243 321

The loans related to a motor vehicle scheme that was in place for employees. The loans attracted interest rates which ranged between 6% and 9% per annum.

Key management personnel are those persons having the authority and responsibility for planning, directing, and controlling activities of the Group. These include the Chief Executive, Finance Director and other senior management of the Group.

23.6 Group structure

The Group comprises the following companies:

	Name	Business	Location
1	Rainbow Tourism Group (Zimbabwe) - Company	Hotelier	Zimbabwe
2	Heritage Expeditions Africa	Tour Operation	Zimbabwe

24. RETIREMENT BENEFITS

24.1 Catering Industry Pension Fund (NEC)

This is a defined contribution scheme legislated under the National Social Security Act (1989). The company's obligations are limited to specific contributions as legislated from time to time, and are currently 4.5% of pensionable earnings.

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
Contribution for the year	227 475 841	341 736 343	227 475 841	39 202 282

24.2 National Social Security Authority Scheme (NSSA)

This is a defined contribution scheme legislated under the National Social Security Act (1989). The company's obligations are limited to specific contributions as legislated from time to time, and are currently 4.5% of pensionable earnings limited to ZW\$2 414 896 per month per employee as at 31 December 2023.

Contribution for the year	534 917 032	731 672 226	534 917 032	83 933 774
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24.3 RTG pension fund

This is a defined contribution scheme which covers supervisory and managerial employees.

Contributions for the year	2 424 807 645	1 566 681 811	2 424 807 645	179 721 892
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NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

25. FINANCIAL RISK MANAGEMENT

The main risks facing the Group are treasury risk, credit risk, liquidity risk, exchange rate risk and cash flow risk.

In common with all other businesses, the Group is exposed to risks that arise from its use of financial instruments. This note describes the Group's objectives, policies and processes for managing these risks and methods used to measure them. Further quantitative information in respect of these risks is presented throughout these financial statements.

There have been no substantive changes in the Group's exposure to financial instrument risks, its objectives, policies and processes for managing those risks or the methods used to measure them from the previous periods unless otherwise stated in this note.

Principal financial instruments

The principal financial instruments used by the Group, from which financial instrument risk arises, are as follows:

- a) Accounts receivable
- b) Cash at bank
- c) Other financial assets
- d) Borrowings
- e) Accounts payable

General objectives, policies and processes

The Board has overall responsibility for the determination of the Group's risk management objectives and policies and, whilst retaining ultimate responsibility for them, it has delegated the authority for designing and operating processes that ensure the effective implementation of the objectives and policies to the Group's finance function.

25.1 Treasury risk

The Audit and Finance Committee, made up of executive and non-executive directors, meets regularly to consider and analyse, among other issues, currency and interest rate exposures and to re-evaluate treasury risk management strategies against prevailing economic forecasts. Compliance with Group policies and exposure limits is reviewed at regular board meetings.

25.2 Liquidity risk

The Group has a borrowing capacity of ZW\$411,005,126,876 of which 1% was utilised as at 31 December 2023. This together with cash generated from operations is adequate to enable the Group to meet its day-to-day expenses and service charges as they fall due.

25.3 Credit risk

"The credit risk is managed on a group basis based on the Group's credit risk management policies and procedures. The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits, and are only with major reputable financial institutions. The Group continuously monitors the credit quality of customers based on a credit rating scorecard. Where available, external credit ratings and/or reports on customers are obtained and used. The group's policy is to deal only with credit worthy counterparties. The credit terms range between 7 and 14 days. The credit terms for customers as negotiated with customers are subject to an internal approval process which considers the credit rating scorecard. The ongoing credit risk is managed through a regular review of the ageing analysis, together with credit limits per customer.

Service customers are required to pay the annual amount of the service upfront, mitigating the credit risk. Trade receivables consist of a large number of customers in various industries and geographical areas. The Group does not hold any security on the trade receivables balance. In addition, the group does not hold collateral relating to other financial assets (eg derivative assets, cash and cash equivalents held with banks).

25.4 Interest rate risk

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. Longer-term borrowings are therefore usually at fixed rates. At 31 December 2023, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. Other borrowings are at fixed interest rates. The exposure to interest rates for the Group's money market funds is considered immaterial.

25.5 Exchange risk

The Group is exposed to foreign currency fluctuations as it accrues foreign currency-denominated liabilities in its business activities. It is exposed to such foreign currency fluctuations to the extent that such liabilities are not matched by foreign currency receipts from operations.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

A summary of the financial instruments held by category is provided below:

25.5 Exchange risk (continued)

Financial assets

Cash and cash equivalent

Trade and other receivables

Total

INFLATION ADJUSTED		HISTORICAL COST	
At amortised cost		At amortised cost	
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
13 049 392 681	2 435 260 316	13 049 392 681	507 345 899
19 330 853 741	18 829 231 177	19 330 853 741	3 922 756 496
32 380 246 422	21 264 491 493	32 380 246 422	4 430 102 395

Quoted shares

Fair value through profit or loss		Fair value through profit or loss	
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
2 732 442	2 625 812	2 732 442	547 044

Financial liabilities

Short term portion of borrowings

Trade and other payables

Bank Overdraft

At amortised cost		At amortised cost	
2023	2022	2023	2022
ZWL	ZWL	ZWL	ZWL
-	-	-	-
46 242 011 101	24 201 264 055	46 242 011 101	5 303 912 019
1 476 322 035	1 056 415 516	1 476 322 035	220 086 566
47 718 333 136	25 257 679 571	47 718 333 136	5 523 998 585

Financial instruments not measured at fair value

Financial instruments not measured at fair value include cash and cash equivalents, trade and other receivables, trade and other payables and borrowings.

Due to their short term nature, the carrying value of cash and cash equivalents, trade and other receivables, trade and other payables and borrowings approximates their fair value.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or a counterparty to a financial instrument fails to meet its contractual obligations. Financial assets which potentially subject the Group to concentrations of credit risk consist primarily of cash and trade receivables. The credit risk in respect of cash balances held with banks and deposits with banks are managed via diversification of bank deposits and are only with major reputable financial institutions. The credit risk with respect to trade receivables is limited as a result of the spread of balances owing to various customers who are in different sectors of the economy.

25. FINANCIAL RISK MANAGEMENT (continued)

Financial instruments measured at fair value

	Level 1		Level 2		Level 3	
	2023	2022	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL	ZWL	ZWL
Equity investments	8 581 932 697	547 044	-	-	-	-

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)

for the year ended 31 December 2023

Liquidity risk

This is the risk of insufficient liquid funds being available to cover commitments. In order to mitigate any liquidity risk that the Group faces, the Group's policy has been throughout the year ended 31 December 2023, to maintain substantial unutilised facilities and reserves as well as significant liquid resources.

Quantitative disclosures of the liquidity risk exposure in relation to financial liabilities are set out below:

	Up to 3 months	Between 3 and 12 months	Between 12 and 24 months	Over 2 years	Total
	2023	2023	2023	2023	2023
	ZWL	ZWL	ZWL	ZWL	ZWL
Trade and other payables	32 172 449 823	15 139 976 387	-	-	47 312 426 211
Bank overdraft	1 476 322 035	-	-	-	1 476 322 035
	33 648 771 858	15 139 976 387	-	-	48 788 748 246

26. MANAGEMENT OF CAPITAL

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The Group manages its capital structure and makes adjustments to it, in light of changes in economic conditions. The Group monitors its capital ratio using a gearing ratio which is net debt divided by total capital plus net debt. The Group includes within its net debts, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents, excluding discontinued operations; capital includes equity attributable to the equity holders of the parent.

The debt-to-adjusted-capital ratios at 31 December 2023 and at 31 December 2022 were as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	2023	2022	2023	2022
	ZWL	ZWL	ZWL	ZWL
Trade and other payables	46 242 011 101	24 201 264 055	46 242 011 101	6 075 942 319
Borrowings	3 468 207 939	-	3 468 207 939	-
Less: cash and cash equivalents	(11 573 070 646)	(1 378 844 800)	(11 573 070 646)	(287 259 333)
Net debt	38 137 148 394	22 822 419 255	38 137 148 394	5 788 682 986
Total equity	211 318 726 748	105 607 765 507	189 331 469 584	18 837 238 324
Capital and net debt	249 455 875 142	128 430 184 762	227 468 617 978	24 625 921 310
Adjusted gearing ratio	15%	18%	17%	24%

27. EVENTS AFTER THE REPORTING PERIOD

27.1 Approval of financial statements

The financial statements were approved by the Board for issue on 25 April 2024.

27.2 Dividend

At the meeting held on 25 March 2024, the Board resolved to declare the second and final dividend for the year ended 31 December 2023. The dividend is payable to all ordinary shareholders registered in the books of the Company. The dividend declared is a blend of Zimbabwe Dollars (ZWL) and United State Dollars (USD). The Zimbabwe Dollars amount is now payable in the new currency Zimbabwe Gold (ZiG). The second and final dividend amounts are US\$260,000.00 (US\$0.000104 per share) and ZiG1,761,331.57 (ZiG0.00071 per share). A separate dividend announcement will be made regarding the payment of the dividend.

27.3 Introduction of Zimbabwe Gold (ZiG)

Subsequent to the Group's reporting period ended 31 December 2023, the Government of Zimbabwe, on the 5th of April 2024, introduced a new currency called Zimbabwe Gold to replace the Zimbabwe dollar (ZWL) through Statutory Instrument (S.I.) 60 of 2024. The Board has concluded that the introduction of new currency is a non-adjusting event, as it does not reflect conditions that existed at the reporting date.

RAINBOW TOURISM GROUP LIMITED

Top 20 Shareholders as at 31 December 2023

	SHAREHOLDER	SHARES	%
1	NATIONAL SOCIAL SECURITY AUTHORITY	2,285,761,833	91.60
2	MINISTRY OF MINES ENVIRONMENT AND TOURISM	83,402,508	3.34
3	LAAICO - FCA NON-RES	60,000,000	2.40
4	PINNACLE INVESTMENTS (PRIVATE) LIMITED	15,521,167	0.62
5	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	2,535,990	0.10
6	MANO, EVELYN	1,942,625	0.08
7	WILLOUGHBY'S CONSOLIDATED PLC	1,482,239	0.06
8	ANNES SUPERMARKET	1,466,251	0.06
9	MESSINA INVESTMENTS LIMITED	1,437,892	0.06
10	BLAGOJEVIC, GORAN	1,222,248	0.05
11	M K FAMILY TRUST,	1,002,947	0.04
12	KOPI, COLZA M	852,553	0.03
13	SAMURIWO, TICHAONA	706,052	0.03
14	STANBIC NOMINEES	576,158	0.02
15	MAHOMVA, LEONARD	568,369	0.02
16	HOFER KURT	542,739	0.02
17	CORPSERVE NOMINEES PVT LTD	488,257	0.02
18	TAGGART INVEST LIMITED	466,100	0.02
19	PURPOSE ASSET MNGMNT NOMINEES	453,752	0.02
20	MASIMBA MTIZE	400,000	0.02
	TOTAL	2,460,777,098	98.61
	OTHER SHAREHOLDERS	34,690,682	1.39
	SHARES IN ISSUE	2495495543	100%

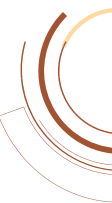
GRI CONTENT INDEX

Statement of use	Rainbow Tourism Group has reported the information cited in this GRI content index for the period 01 January 2023 and 31 December 2023 with reference to the GRI Standards.				
GRI Used	GRI 101: Foundation 2021				
GRI Standard	Disclosure	Page number(s)	Omission		
			Part Omitted	Reason	Explanation
General Disclosures					
GRI 2: General Disclosures 2021	2-1 Organisational details	Front Cover			
	2-2 Entities included in the organisation’s sustainability reporting	-			
	2-3 Reporting period, frequency and contact point	2			
	2-4 Restatements of information	2			
	2-5 External assurance	2			
	2-6 Activities, value chain and other business relationships	7-10			
	2-7 Employees	14, 57-62			
	2-8 Workers who are not employees	57			
	2-9 Governance structure and composition	25			
	2-10 Nomination and selection of the highest governance body	-			
	2-11 Chair of the highest governance body	21, 25			
	2-12 Role of the highest governance body in overseeing the management of impacts	26			
	2-13 Delegation of responsibility for managing impacts	26			
	2-14 Role of the highest governance body in sustainability reporting	2, 27			
	2-15 Conflicts of interest	26			
	2-16 Communication of critical concerns	2, 26			
	2-17 Collective knowledge of the highest governance body	21			
	2-18 Evaluation of the performance of the highest governance body	26			
	2-19 Remuneration policies	26			
	2-20 Process to determine remuneration	26			
	2-21 Annual total compensation ratio	-			
	2-22 Statement on sustainable development strategy	40			
	2-23 Policy commitments	15			
	2-24 Embedding policy commitments	26			
	2-25 Processes to remediate negative impacts	38, 53			
	2-26 Mechanisms for seeking advice and raising concerns	40-41			
	2-27 Compliance with laws and regulations	35			
	2-28 Membership associations	15			
	2-29 Approach to stakeholder engagement	40			
	2-30 Collective bargaining agreements	60			
Material Topics					
GRI 3: Material Topics 2021	3-1 Process to determine material topics	42			
	3-2 List of material topics	42-43			
	3-3 Management of material topics	42	See management approach for each topic		
Economic Performance					
GRI 201: Economic Performance 2016	201-1 Direct economic value generated and distributed	66, 73-93			
	201-2 Financial implications and other risks and opportunities due to climate change	53			
	201-3 Defined benefit plan obligations and other retirement plans	58			
Indirect Economic Impacts					
GRI 203: Indirect Economic Impacts 2016	203-1 Infrastructure investments and services supported	64			
	203-2 Significant indirect economic impacts	64			
Procurement Practices					
GRI 204: Procurement Practices 2016	204-1 Proportion of spending on local suppliers	50			

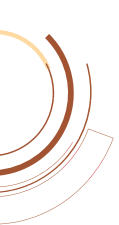
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GRI Used	GRI 101: Foundation 2021				
GRI Standard	Disclosure	Page number(s)	Omission		
Tax					
GRI 207: Tax 2019	207-1 Approach to tax	66			
	207-2 Tax governance, control, and risk management	66-67			
	207-3 Stakeholder engagement and management of concerns related to tax	67			
	207-4 Country-by-country reporting	67			
Energy					
GRI 302: Energy 2016	302-1 Energy consumption within the organisation	47			
	302-2 Energy consumption outside of the organisation	47			
Water and Effluents					
GRI 303: Water and Effluents 2018	303-1 Interactions with water as a shared resource	48			
	303-2 Management of water discharge-related impacts	48			
	303-5 Water consumption	48			
Emissions					
GRI 305: Emissions 2016	305-1 Direct (Scope 1) GHG emissions	53			
	305-2 Energy indirect (Scope 2) GHG emissions	53			
Waste					
GRI 306: Waste 2020	306-1 Waste generation and significant waste-related impacts	64			
	306-2 Management of significant waste-related impacts	64			
	306-3 Waste generated	64			
	306-4 Waste diverted from disposal	64			
Employment					
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	57-58			
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	59			
	401-3 Parental leave	59			
Labor/Management Relations					
GRI 402: Labor/ Management Relations 2016	402-1 Minimum notice periods regarding operational changes	-	One month		
Occupational Health and Safety					
GRI 403: Occupational Health and Safety 2018	403-1 Occupational health and safety management system	59			
	403-2 Hazard identification, risk assessment, and incident investigation	60			
	403-3 Occupational health services	60			
	403-4 Worker participation, consultation, and communication on occupational health and safety	60			
	403-5 Worker training on occupational health and safety	60			
	403-6 Promotion of worker health	60-61			
	403-7 Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	59-60			
	403-8 Workers covered by an occupational health and safety management system	59-60			
	403-9 Work related injuries	-			
Training and Education					
GRI 404: Training and Education 2016	404-1 Average hours of training per year per employee	62			
	404-2 Programs for upgrading employee skills and transition assistance programs	62			

GRI CONTENT INDEX



Statement of use		Rainbow Tourism Group has reported the information cited in this GRI content index for the period 01 January 2023 and 31 December 2023 with reference to the GRI Standards.			
GRI Used		GRI 101: Foundation 2021			
GRI Standard		Disclosure	Page number(s)	Omission	
Diversity and Equal Opportunity					
GRI 405: Diversity and Equal Opportunity 2016	405-1 Diversity of governance bodies and employees	25, 57			
Freedom of Association and Collective Bargaining					
GRI 407: Freedom of Association and Collective Bargaining 2016	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	-	Not applicable		
Local Communities					
GRI 413: Local Communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	64			



CORPORATE INFORMATION

HEAD OFFICE

1 Pennefather Ave
Samora Machel Avenue West
Harare

REGISTERED OFFICE

Rainbow Towers Hotel and Conference Centre
1 Pennefather Ave
Samora Machel Avenue West
Harare

LEGAL PRACTITIONERS

Mawere Sibanda Commercial Lawyers
10th Floor, Chiedza House
Corner First Street and Kwame Nkrumah Ave
Harare

PRINCIPAL BANKERS

FBC Bank Limited
45 Nelson Mandela Avenue
Harare

CBZ Bank Limited
60 Kwame Nkrumah Avenue
Harare

Stanbic Bank Limited
59 Samora Machel Avenue
Harare

AUDITORS

BDO Zimbabwe Chartered Accountants
Kudenga House
3 Baines Avenue
P. O. Box 334
Harare
Zimbabwe

TRANSFER SECRETARIES

First Transfer Secretaries (Private) Limited
1 Armagh Ave
Eastlea

SUSTAINABILITY ADVISORS

Institute for Sustainability Africa
22 Walter Hill Ave
Eastlea
Harare

AGM NOTICE

NOTICE IS HEREBY GIVEN THAT the 25th Annual General Meeting ("AGM") of the shareholders of Rainbow Tourism Group Limited ("the Company") will be held in the Jacaranda Rooms 2 and 3 at the Rainbow Towers Hotel and Conference Centre, 1 Pennefather Avenue, Samora Machel Avenue West on Monday 24 June 2024 at 1200 Hours.

The AGM shall transact the following business,

A. CONSTITUTION OF MEETING

1. To table forms of proxy
2. To declare the meeting constituted
3. To confirm Minutes of Previous Annual General Meeting

B. ORDINARY BUSINESS

1. FINANCIAL STATEMENTS AND THE REPORTS OF THE DIRECTORS AND AUDITORS

To receive and adopt the financial statements and the reports of directors and auditors for the year ended 31 December 2023.

2. DIRECTORS' FEES

To approve the remuneration and emoluments of the directors for the year ended 31 December 2023 in accordance with section 207(2) of the Companies and Other Business Entities Act.

(The aggregate directors' emoluments are included in the Annual Report.)

3. DIVIDEND

To confirm payment of an interim dividend of ZWL1,622,072,102.95 and US\$259,531.54 declared on 1 November 2023 and to confirm payment of a final dividend of ZiG 1,771,801.84 and US\$259,531.54 declared on 2 May 2024.

4. DIRECTORATE

In terms of article 99 of the Company's Articles of Association, Messrs. Cynthia Malaba and Douglas Mavhembu are to retire by rotation and being eligible, offer themselves for re-election.

The re-election resolutions are to be tabled separately for each director.

5. AUDITORS

- 5.1 To fix/approve the remuneration of Messrs. BDO Zimbabwe Chartered Accountants for the past year's audit in accordance with section 191 of the Companies and Other Business Entities Act [Chapter 24:31].
- 5.2 To confirm the re-appointment of BDO Zimbabwe Chartered Accountants as auditors of the Company until the next Annual General Meeting. BDO Zimbabwe Chartered Accountants has served as auditors of the Company for the past two years.

C. ANY OTHER BUSINESS

To transact any other business competent to be dealt with at an Annual General Meeting.

D. ATTENDANCE, PROXIES AND VOTES

A member of the Company entitled to attend and vote at this meeting is entitled to appoint a proxy to attend, speak and on a poll, vote in his/her stead. A proxy need not be a member of the Company. Proxy forms should be submitted at least 48 hours before the commencement of the meeting.

A Special Resolution is required to be passed by a majority of seventy-five percent of those present and voting (including proxy votes), representing not less than twenty-five percent of the total number of votes in the Company.

Please be advised that the 2023 Annual Report can be accessed on the Company's website: <https://rtgafrica.com/full-year-reports/>. The Annual Report, (which includes the financial statements, Directors' and Auditors' Report as well as other reports) shall be emailed to those shareholders whose email addresses are on record.

By order of the board



.....
TAPIWA MARI
COMPANY SECRETARY



FORM OF PROXY

The Secretary
Rainbow Tourism Group Limited
1 Pennefather Avenue, Samora Machel Avenue West
HARARE

I/We of being a member of Rainbow Tourism Group Limited (the Company) hereby appoints....., or failing him/her, the Chairman of the meeting as my/our proxy to attend and speak for me/us on my/our behalf at the Annual General Meeting of the Company to be held on the 24th June 2024 and at any adjournment thereof and to vote or abstain from voting as indicated below on the resolutions to be considered at the said meeting.

		FOR	AGAINST	ABSTAIN
ORDINARY BUSINESS				
1.	To receive and adopt the financial statements and the reports of directors and auditors for the year ended 31 December 2023.			
2.	To approve the remuneration and emoluments of the directors for the year ended 31 December 2023 in accordance with section 207(2) of the Companies and Other Business Entities Act [Chapter 24:31].			
3.	To confirm payment of an interim dividend of ZWL1,622,072,102.95 and US\$259,531.54 declared on 1 November 2023 and to confirm payment of a final dividend of ZiG 1,771,801.84 and US\$259,531.54 declared on 2 May 2024.			
4.	To re-elect the following director, Mrs. Cynthia Malaba, who retires by rotation at the AGM and, being eligible offers himself for re-election in accordance with Article 99 of the company's Articles of Association.			
5.	To re-elect the following director, Mr. Douglas Mavhembu, who retires by rotation at the AGM and, being eligible offers himself for re-election in accordance with Article 99 of the company's Articles of Association.			
6.	To fix/approve the remuneration of Messrs. BDO Zimbabwe Chartered Accountants for the past year's audit in accordance with section 191 of the Companies and Other Business Entities Act [Chapter 24:31].			
7.	To re-appoint Messrs. BDO Zimbabwe Chartered Accountants (Zimbabwe) as auditors for the ensuing financial year. BDO Zimbabwe Chartered Accountants have been auditors of the Company for the past two years.			

Please indicate with an "X" in the spaces provided how you wish your votes to be cast. If no indication is given, the proxy will vote or abstain at his/her discretion.

Signed at this day of June 2024

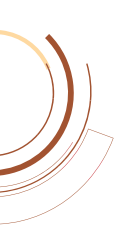
Signature of member

Number of Shares.....

NOTES

1. This proxy form should be sent to the registered office of the company not later than forty –eight hours before the time of the meeting.
2. A member entitled to attend and vote is entitled to appoint a proxy to attend and vote and speak in his stead. A proxy need not be a member of the company.

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NOTES



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ADDRESS

**Rainbow Towers Hotel and
Conference Centre**
No. 1 Pennefather Avenue
Samora Machel Avenue West,
Harare, Zimbabwe



TELEPHONE

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WEBSITES

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www.gatewaystream.com
www.gatewaystreammedia.com

EMAIL

1. RESERVATIONS
reservations@rtg.co.zw / res@rtgrsa.co.za

2. COMPANY SECRETARIAL
tapiwa.mari@rtg.co.zw