Chairman’s Statement

REVENUE
Gross profit was up 41% to $1.1m (2010: $1.0m). Profit before tax increased by 78% to $1.1m (2010: $0.6m). Accordingly, the directors of Simba have increased the interim dividend per share by 71% to 77c (2010: 44c) and basic earnings per share was up by 73% at 1.45 US$ (2010: 0.82 US$).

FINANCIAL PERFORMANCE
The group’s Revenues for the financial year increased by 30% to $9.3m (2010: $7.1m) driven mainly by growth in Zimbabwe and Kenya.

OPERATIONAL PERFORMANCE
The group’s operational performance is set out in note 3 above and below.

REVIEW OF OPERATIONS

Zimbabwe

The group continues to perform in line with the financial performance in Zimbabwe which has shown resilience despite the liquidity shortages in the market. We have grown our market share, achieved double-digit revenue growth and improved profitability during the period.

The group has expanded its sales footprint and as a result has improved the company’s gross margins. The group received over US$2 million in working capital during the period thus increasing sales volumes.

Net cash outflow from financing activities was $1.4m for the period under review. The group’s total borrowings reduced by a marginal amount of $8.3m during the period and closed 31 December 2011 at a balance of $17m. An amount of $1.6m was distributed to shareholders as cash dividends.

The Region

Our Regional operations in Kenya, Zambia, Ghana, Namibia and Mauritius contributed $11m (2010: $10.7m) to Group revenue growth of 1.5% from pre year period. Our Mauritian business has stabilised as a result of the completion of new store roll out and operations in these regions show the benefits of the management changes and the rising financial and operational risk of operating in the CRM. We have diversified our exposure in the region in line with the applicable market opportunities.

In Ghana where we continue to operate 19 stores, a number of initiatives have been implemented since year end which are already beginning to bear fruit.

The Mauritius business is now profitable as a result of the completion of the store roll out in the previous financial year. Strategies to improve financial and operational performance in this market are ongoing and we are optimistic of sustainable earnings growth in the region.

CONTINUING OPERATIONS

As at 31 December 2011

Assessments

- Non-current assets
- Current assets
- Equity

EARNINGS PER SHARE

- Basic earnings per share
- Diluted earnings per share
- Basic earnings per share - continuing and discontinued operations
- Diluted earnings per share - continuing and discontinued operations
- Basic earnings per share - continuing operations
- Diluted earnings per share - continuing operations
- Non-controlling interests

AABROD GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

ASSETS

- Non-current assets
- Current assets
- Equity

EARNINGS PER SHARE

- Basic earnings per share
- Diluted earnings per share
- Basic earnings per share - continuing and discontinued operations
- Diluted earnings per share - continuing and discontinued operations
- Basic earnings per share - continuing operations
- Diluted earnings per share - continuing operations
- Non-controlling interests

AABROD GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2011

SALIENT FEATURES

30%

47%

70%

71%

188%

Dividend Announcement

NOTICE IS HEREBY GIVEN THAT on 2 March 2012 the Board of Directors declared an interim dividend (currency ($) of 45c cents per share paid out of the profits of the Group for the half year ended 31 December 2011.

The dividend will be payable in United States dollars on or about 18 May 2012 to shareholders registered in the books of the company on the register of business on 27 April 2012. The last day to trade cum-dividend is 24 April 2012 and the ex-dividend date is 25 April 2012.

Chairman’s Statement

The group continues to perform in line with the financial performance in Zimbabwe which has shown resilience despite the liquidity shortages in the market. We have grown our market share, achieved double-digit revenue growth and improved profitability during the period.

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CONTINUING OPERATIONS

As at 31 December 2011

Assessments

- Non-current assets
- Current assets
- Equity

EARNINGS PER SHARE

- Basic earnings per share
- Diluted earnings per share
- Basic earnings per share - continuing and discontinued operations
- Diluted earnings per share - continuing and discontinued operations
- Basic earnings per share - continuing operations
- Diluted earnings per share - continuing operations
- Non-controlling interests

AABROD GROUP STATEMENT OF FINANCIAL POSITION

As at 31 December 2011

ASSETS

- Non-current assets
- Current assets
- Equity

EARNINGS PER SHARE

- Basic earnings per share
- Diluted earnings per share
- Basic earnings per share - continuing and discontinued operations
- Diluted earnings per share - continuing and discontinued operations
- Basic earnings per share - continuing operations
- Diluted earnings per share - continuing operations
- Non-controlling interests

AABROD GROUP STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the Year Ended 31 December 2011

SALIENT FEATURES

30%

47%

70%

71%

188%
Simbisa Brands Limited
Reviewed Abridged Financial Results
For The Half Year Ended 31 December 2017

ABRIDGED GROUP STATEMENT OF CASH FLOWS
For The Half Year Ended 31 December 2017

Six months to 31 December 2017

Six months to 31 December 2016

Unaudited

Unaudited

USD

USD

Cash generated from operations 16,342,533 9,995,534
Net interest paid - continuing and discontinued operations (754,346) (678,750)
Tax paid - continuing and discontinued operations (1,466,725) (788,523)
Net cash flow from operating activities 13,181,458 8,438,269
Investing activities
(3,355,682) (4,273,852)
Net cash inflow before financing activities 19,537,140 4,165,166
Financing activities
(1,358,922) (1,482,307)
Net increase in cash and cash equivalents 18,178,218 2,682,859
Foreign currency translation
18,960 -
Cash and cash equivalents at the beginning of the period 3,416,651 1,868,141
Cash and cash equivalents at the end of the period 21,634,869 2,682,859

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS
For The Year Ended 31 December 2017

1 General Information
Simbisa Brands Limited (Simbisa) is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange (ZSE). Simbisa Brands Limited, and its subsidiaries own and operate quick service restaurants (QSRs) across Africa.

2 Accounting policies
The Group reports in terms of international Financial Reporting Standards (IFRS). The principal accounting policies of the Group have been applied consistently in all material respects with those of the previous year.

3 Financial statements
The consolidated financial statements and the notes to the financial statements are fully comply with IFRS and should be read in conjunction with the Group’s annual financial statements as at 30 June 2017 which are available on the Company’s website and are available at the Company’s registered office.

4 Summary segment information
Six months ended 31 December 2017

Zimbabwe USD

Region USD

Net eliminations USD

Total USD

Six months ended 31 December 2016

Zimbabwe USD

Region USD

Net eliminations USD

Total USD

Revenue
67,836,286 31,432,197 - 99,268,483
Operating profit before depreciation and amortization 11,978,581 3,097,353 - 15,075,934
Capital expenditure 2,198,845 1,142,442 - 3,341,287
Segment assets 60,633,044 27,218,694 (4,385,580) 83,565,766
Segment liabilities 12,422,326 13,261,713 (508,472) 26,175,569

5 Depreciation, amortisation and impairment of plant, property, equipment and intangible assets
3,170,708 2,999,346

6 Borrowings
Non-current borrowings 848,099,279 72,671,119 - 76,529,348
Short-term borrowings (3,857,870) (1,917,243) - 2,069,627
Capital expenditure 3,277,893 2,711,196 - 5,989,089
Segment assets 51,867,129 25,781,449 (6,374,576) 73,375,675
Segment liabilities 38,058,081 17,579,997 (579,656) 54,557,422

NOTES TO THE ABRIDGED CONSOLIDATED FINANCIAL RESULTS
For The Year Ended 31 December 2017 - (continued)

7 Future lease commitments
The Group has commitments arising from property leases for its restaurants and other business operations. The future expected rentals due are payable as follows:

31 December 2017

31 December 2016

USD

USD

Payable within the next 12 months 10,496,909 8,178,276
Payable within 2 to 3 years 38,722,360 24,722,360
Payable after 5 years 7,019,180 6,138,180
Total 56,238,450 59,038,816

8 Commitments for capital expenditure
Authorised by Directors and contracted 233,986 4,378,037
Authorised by Directors but not contracted 2,128,976 1,680,612
Total 2,362,962 4,758,650

9 Changes in Intestates in Subsidiaries
On: 30 June 2017 the Group’s wholly-owned subsidiary in Zambia issued shares to its local partner in exchange for their 5% share of assets and liabilities in a jointly operated operation between the two entities. This has resulted in Simbisa’s interest in the Zambia operating entity reducing from 100% to 51%. Similar control of the entity and it has been consolidated in the Group results on that basis in line with the applicable International Financial Reporting Standards
Due to the continued macro-economic challenges and the rising financial and operational risk of operating in the Democratic Republic of Congo (DRC), the Group has disposed of its 51% interest in the DRC subsidiary and the partner now operates the brands under a franchise arrangement in this market.

10 Discontinued Operations
On: 30 June 2017 the Group disposed of its 51% interest in Imorsk Congo SARL, its DRC subsidiary. The results of the business unit for the half year ended 31 December 2017 are summarised below:

Six months to 31 December 2017

USD

Operating profit 2,622,279
Operating profit after depreciation, amortisation and impairment Profit before tax 424,182
Profit before tax 2,098,097
Income tax expense -359,182
Profit for the period from continuing operations 1,738,915
The major classes of assets and liabilities of the DRC business classified as discontinued operations as at 30 June 2017 are as follows:

ASSETS

Property, plant and equipment 2,996,485
Investment 293,561
Trade and other receivables 611,515
Bank and cash 31,205

LIABILITIES

Trade and other payables 787,517

The net cashflows incurred by the business are as follows:

Six months to 31 December 2016

USD

Operating profit -18,784
Net cash outflow/inflow (18,784)

11 Earnings per share

Continuing Operations
Six months to 31 December 2017

Six months to 31 December 2016

USD

USD

Basic earnings per share (cents) (1.46) 0.82 1.46 0.82
Diluted basic earnings per share (cents) (1.46) 0.82 1.46 0.82
Profit attributable to ordinary shareholders per share (cents) (1.46) 0.82 1.46 0.82
Profit attributable to ordinary shareholders per share (cents) (1.46) 0.82 1.46 0.82

Discontinued Operations
Six months to 31 December 2017

Six months to 31 December 2016

USD

USD

Basic earnings per share (cents) 0.34 0.34
Diluted earnings per share (cents) 0.34 0.34

Reclassification of basic earnings to headline earnings
Profit per the year attributable to equity holders of the parent 8,147,620 8,479,381
Loss on disposal of property, plant and equipment 16,071 13,500
Tax at 30% 11,714 10,000
Headline earnings attributable to ordinary shareholders 8,060,896 8,465,881
Headline earnings per share (cents) 4.07 4.07
Diluted headline earnings per share (cents) 4.07 4.07

Six months to 31 December 2016

USD

USD

Basic earnings per share (cents) 0.93 0.93
Diluted earnings per share (cents) 0.93 0.93

Reconciliation of headline earnings to basic earnings
Profit per the year attributable to ordinary shareholders of the parent 8,147,620 8,479,381
Headline earnings attributable to ordinary shareholders 8,060,896 8,465,881
Headline earnings per share (cents) 4.07 4.07
Diluted headline earnings per share (cents) 4.07 4.07