starafrica corporation limited

ANNUAL **REPORT 2023**

About This Report

The report contains information about the operations of Starafrica Corporation Limited ("the Company") and its subsidiaries, together "the Group" in Zimbabwe. Any references in this report to "our", "we", "us", "Company" or "SAC" refer to Starafrica Corporation Limited.

Starafrica Corporation Limited, a company listed on the Zimbabwe Stock Exchange (ZSE), is pleased to present its annual report for the year ended 31 March 2023.

Reporting Scope

The report contains information about the operations of Starafrica Corporation Limited ("the Company") and its subsidiaries, together "the Group" in Zimbabwe. Any references in this report to "our", "we", "us", "Company" or "SAC" refer to Starafrica Corporation Limited.

Reporting Frameworks

This report was compiled with due consideration of the following regulatory requirements and reporting standards:

- Companies and Other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2020; and
- International Financial Reporting Standards (IFRS).

Assurance

The financial statements were audited by PriceWaterhouseCoopers Chartered Accountants (Zimbabwe), in accordance with the International Standards of Auditing (ISAs). The independent auditor's report is contained on pages 34 to 39.

Board Responsibility And Approval Of This Report

The Board of Directors of Starafrica Corporation Limited holds collective responsibility for this report, which has been compiled by members of the management team. The Board recognises its responsibility for ensuring the integrity of this Annual Report and approved the report on 7 November 2023.

Forward Looking Statement

This report may contain forward-looking statements which relate to the future performance and prospects of the Group.

Feedback

We welcome your feedback on our Annual Report. If you have any suggestions on how we can improve our reporting or should you require any clarifications on any information provided in this report, please send your comments to Mr. A. J. Musemburi, the Company Secretary at marketing@starafrica.co.zw

The Starafricacorporation Limited Annual Report is available on the following websites:
www.starafricacorporation.com

Members may also obtain a copy of the Annual Report from the office of the Transfer Secretaries.

Table of Contents

Our vision is to be a leading manufacturer and distributor of food and other products in Africa.

Our History

1935 Founding of the Group as Rhodesia Sugar Refinery

1947 Listing of the Group on the Zimbabwe Stock Exchange

1956 Launch of Harare Refinery

1974 Acquisition of the Wholesale Division

1978 Formation of Country Choice Foods to focus on production of sugar speciality products

1986 Re-branding of the Wholesale Division to Red Star Wholesalers

1992 Formation of Bluestar Transport

1994 Acquisition of Sugar Industries in Botswana (Pvt) LTD

Our History

2002 Tate & Lyle PLC of the United Kingdom divested its interest in Zimbabwe, through a Management Buy Out (MBO) resulting in localisation of ZSR Corporation Limited

2003 Acquisition of Advance Wholesalers (Bulawayo)

2006 Separate listing of Red Star Holdings Limited on the Zimbabwe Stock Exchange

Acquisition of West Beverages

Re-branding of ZSR Corporation to Starafrica Corporation limited

2015 Starafrica embarks on major upgrade of Goldstar Sugars Harare plant

2016 Starafrica is KO certified to supply sugar to Coca Cola bottling plants

Zimbabwe Asset Management Company (ZAMCO) acquires a 57.4% shareholding in Starafrica Corporation Limited

2017 Starafrica embarks on new product development drive

2021 Takura Capital acquires (ZAMCO's) 57.4 % stake in Starafrica Corporation limited

Vision, Mission & Values

Our Vision

To be a **leading manufacturer** and distributor of food and other **products in Africa.**

Our Mission

To excel in the provision of **world class products** and **services that delight our customers,** in an environment that is rewarding and caring for our employees, and in so doing, **achieve superior returns** for our shareholders and make a positive contribution to the **communities we operate in.**

Vision, Mission & Values

Our Values

Our powerful values drive the way we do business

- CARE
- ACCOUNTABILITY
- PERFORMANCE DRIVEN
- COMMITMENT
- ETHICAL

GOLDSTAR® SUGARS

GOLDSTAR SUGARS

- Goldstar sugars is a strong well-established brand commanding a leading market position.
- Currently distributes Goldstar white sugar throughout Zimbabwe.
- KO (The Coca Cola Company) certification: we are certified to supply all Coca Cola bottling plants. As a result, the Company supplies sugar to the world's largest suppliers of carbonated soft drinks and cordials; and has consistently met their exacting, high standards.
- Goldstar Sugars has also been awarded the Food Safety Management Systems as well as ISO 9001:2015 certification.

Goldstar Sugars products are used by leading beverage producers, confectioners and sweet manufacturers, as well as in the manufacture of sugar-based pharmaceuticals.

How We Are Organised

Sugar Purification

GOLDSTAR SUGARS (GSS)

Goldstar Sugars (GSS) markets and distributes sugar products to industrial and consumer retail markets.

Specialty Products Manufacturing

COUNTRY CHOICE FOODS (CCF)

Country Choice Foods (CCF) is a leading manufacturer and distributor of sugar specialty products such as castor sugar, icing sugar syrups as well as sweeteners and pure honey.

Property Management

SILVER STAR PROPERTIES

The Group's property division leases out and manages commercial, industrial and residential Company owned properties within Zimbabwe.

Associate

TONGAAT HULETT BOTSWANA

The Group's associate distribution business unit Tongaat Hulett Botswana, markets and distributes Goldstar and Country Choice Foods in Botswana.

Directorate

BOARD OF DIRECTORS

R. J. Mbire (PhD)	Chairman	**Dr .M. Sibanda**	Non-Executive Director
R. Nyabadza	Chief Executive	**C. Matorera**	Non-Executive Director
F. Myambuki	Finance Director	**M. E. Chiremba**	Non-Executive Director
A. J. Musemburi	Corporate Services Director	**G. T. Nyamayi**	Non-Executive Director

Professional Advisors

Independent Auditor

PWC Chartered Accountants (Zimbabwe)
Building 4 Arundel Office Park,
Norfolk Rd, Mount Pleasant,
Harare, Zimbabwe.

Attorneys

Coghlan Welsh & Guest
2 Central Ave, Harare, Zimbabwe.

Mawere & Sibanda
10th Floor Chiedza House Corner First Street,
Union Ave, Harare

Transfer Secretaries

First Transfer Secretaries
1 Armagh Avenue Eastlea
Harare, Zimbabwe.

Registered Office:

Starafricacorporation Limited
49 Douglas Road, Workington,
Harare, Zimbabwe

Bankers

ZB Bank Limited
21 Natal Road Avondale, Harare, Zimbabwe.

BancABC Zimbabwe Limited
1 Endeavor Crescent
Mt Pleasant Harare, Zimbabwe.

Nedbank Zimbabwe Limited
4th Floor Old Mutual Centre 3rd Street/
Jason Moyo Avenue Harare Zimbabwe.

CBZ Bank Limited
5 Campbell Road Pomona, Borrowdale
P O Box Bw 520, Borrowdale Harare,
Zimbabwe

Ecobank - The Pan African Bank
Block A, Sam Levy's Office Park
2 Piers Road P.O. Box BW1464
Borrowdale, Harare.

Performance Highlights

OPERATIONAL

	Percentage Change	Year Ended 31 March 2023	Year Ended 31 March 2022
Sales Volumes Goldstar Sugars (tonnes)	decreased by 0.2%	82,321	82,500
Sales Volumes Country Choice Foods (tonnes)	increased by 9%	2,048	1,879

FINANCIAL

	Inflation Adjusted	Historical Cost
Revenue	increased by 30%	increased by 317%
Net Assets	increased by 20%	increased by 247%

Performance Highlights

GROUP SUMMARY

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Revenue	**50 137 168 056**	**38 529 645 963**	**42 467 137 304**	**10 180 948 626**
EBITDA	(1 893 356 143)	4 127 468 250	(2 398 314 813)	984 597 283
Operating profit	413 483 877	4 986 686 942	2 280 515 528	1 701 348 482
Finance cost	(49 752 321)	(4 231 058)	(49 599 967)	(881 632)
(Loss)/profit for the year	**(1 729 850 574)**	**2 333 652 374**	**2 390 811 481**	**1 450 879 965**
Other comprehensive income for the year, net of tax	3 894 579 004	890 903 733	5 981 223 316	610 461 777
Total comprehensive income	**2 164 728 430**	**3 224 556 106**	**8 372 034 797**	**2 061 341 742**
(Loss)/profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Basic (loss)/earnings per share (cents)	(39.55)	44.33	42.80	28.47
Diluted (loss)/earnings per share (cents)	(39.55)	44.33	42.80	28.47
Statement of Financial Position				
Property, plant and equipment	10 452 358 601	6 106 562 805	8 665 683 215	1 629 165 737
Total assets	24 499 498 394	16 140 874 347	22 680 185 939	5 022 561 937
Equity attributable to equity holders of the parent	11 937 748 302	9 944 882 551	11 264 584 808	3 225 204 862
Total liabilities	11 365 495 832	5 171 600 214	10 917 898 431	1 632 309 226
Statistics				
Refined sugar sales in domestic market (tonnes)	82 321	82 500	82 321	82 500
Average number of employees	541	503	541	503

* The historical amounts are shown as supplementary information. This does not comply with the International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29 Financial Reporting in Hyperinflationary Economies. As a result, the auditors have not expressed an opinion on the historical financial information.

Chairman’s Statement

The year under review was characterised by rising inflationary pressures and exchange rate volatility, combined with heightened economic uncertainty emanating from the Russia-Ukraine conflict. This continued to undermine economic recovery from the challenges associated with the COVID-19 pandemic in the prior years.

R. J. MBIRE (PhD)
CHAIRMAN

Chairman’s Statement

OVERVIEW

The year under review was characterised by rising inflationary pressures and exchange rate volatility, combined with heightened economic uncertainty emanating from the Russia-Ukraine conflict. This continued to undermine economic recovery from the challenges associated with the COVID-19 pandemic in the prior years.

While month-on-month inflation increased to double-digit figures from June 2022, tight fiscal and monetary policies announced in June 2022 brought some semblance of stability into the market as exchange rate volatility, which is a key source of inflationary pressure in Zimbabwe, has decreased, compared with the pre-July 2022 period.

On 22 June 2022, Government relaxed several COVID-19-related restrictions which had been in place. This was indicative of a softening stance taken by the authorities considering declining rates of COVID-19 infections and fatalities. Consequently, the year under review was not significantly affected by the pandemic, apart from remnant effects from prior periods.

GROUP RESULTS

The Group’s financial results are inflation adjusted in compliance with the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies and the historical cost financial information has been disclosed as supplementary data. A 30% increase in turnover was recorded in the year under review, from ZWL38.5billion in the prior year to ZWL50.1billion. The improvement was largely attributable to strong demand for all the Group’s products during the year under review. However, the Group’s operating profit shrunk by 93%, from ZWL5.0billion in the prior year to ZWL0.4billion. The lower operating profit was a direct result of increases in raw sugar prices and operating costs in real terms. Increasing global inflationary pressures have resulted in a spike in the costs of imported chemicals, packaging and refinery spares.

In historical terms, revenue increased by 317%, from ZWL10.2billion recorded in the prior year to ZWL42.5billion, while operating profit increased by 34%, from ZWL1.7billion to ZWL2.3billion.

Chairman's Statement

OPERATIONS

Goldstar Sugars ("GSS")

During the year ended 31 March 2023, sales volumes of granulated sugar produced by GSS were stagnant, having been 82,500 tonnes sold in the prior year to 82,321 tonnes. This was on the back of pressure from imports after promulgation of Statutory Instrument 98 of 2022. The Ministry of Finance and Economic Development later suspended duty on the importation of sugar into the country. However, production was adversely affected by raw sugar stockouts and power outages. This resulted in production volumes reducing by 6%, from 82,399 tonnes in the prior year to 77,270 tonnes during the year under review. The unit continues to focus on refurbishment and replacement of critical items of plant and machinery to improve plant availability and, therefore, the refinery's throughput in terms of both quantity and quality of granulated white sugar.

The plant continued to be certified by The Coca Cola Company ("TCCC") and maintained its Food Safety Certification under the FSSC 22000 series. These certifications enable the Group to supply sugar to TCCC franchisees in the Southern African region and beyond.

Country Choice Foods ("CCF")

CCF's products continued to dominate the market on the back of competitive pricing. This has positioned the unit's products among the most affordable in the market. Consequently, sales volumes increased by 9%, from prior year's 1,879 tonnes to 2,048 tonnes. The growth in sales volumes was supported by an improvement in the production of sugar specialties, from 1,920 tonnes last year to 2,140 tonnes in the year under review.

The procurement and commissioning of an automatic syrup filling and icing packing machines has been crucial in terms of boosting production at the unit. During the twelve months under review, the unit launched new products into the market, namely drinking chocolate, powdered mahewu, baking powder, cocoa powder and baking raisins.

Properties Business

In inflation adjusted terms, revenue performance for this business improved significantly with ZWL337.5million of rental income being recorded, compared with ZWL162.2million in the prior year. The unit has recovered significantly from prior year, which was negatively impacted by the COVID-19 pandemic that reduced tenants' ability to generate income and meet their rental obligations. Following the waning of the pandemic, occupancy rates and, consequently, rental collections have increased across the property portfolio.

Tongaat Hulett Botswana

The associate recorded a profit for the period under review of ZWL958.1million, with the Company's share being ZWL319.4million after converting the earnings into Zimbabwean Dollars at the Reserve Bank of Zimbabwe Auction exchange rate as at 31 March 2023.

The procurement and commissioning of an automatic syrup filling and icing packing machines has been crucial in terms of boosting production at CCF.

Chairman's Statement

DIVIDEND

Considering the Company's focus on ensuring that adequate working capital is maintained, while facing a volatile operating environment, the Board has taken a decision not to declare a dividend for the year ended 31 March 2023.

OUTLOOK

Zimbabwe's operating environment is expected to remain challenging, largely because of the prevailing inflationary pressures. The Zimbabwe Dollar has regained value after a steep depreciation in June 2023. The tight monetary and fiscal policies enacted in May 2023, if maintained, are expected to bring more stability to the market. The global economic outlook continues to be weighed down by interest rate hikes by most central banks and the negative spill-over effects from the Russia-Ukraine conflict.

The Company looks forward to Government reinstating duty on imported sugar, a development which will impact positively on the local sugar industry.

The Company will continue to tighten its cost-mitigation measures in an effort to improve the operating profitability of both the refinery and the sugar specialties unit.

CONCLUSION

I wish to thank the Company's various stakeholders, my fellow Board Members, management and staff for their contribution to the Company's performance under a very difficult operating environment.

R. J. Mbire (PhD)
CHAIRMAN
7 November 2023

COUNTRY CHOICE FOODS

- Supplies the hospitality and baking industries.
- Fully committed to the highest standards of quality control.
- Major manufacturer of sugar specialty products such as castor, icing sugar and syrups.
- Fully committed to highest standards of quality control.

Directors’ Profiles

Dr. Rungamo J. Mbire is a Chartered Accountant by profession and he holds a BSc Economics (Hons) degree (UZ), B. Compt (Hons) (Unisa), a Masters in Business Leadership and a Doctor of Philosophy in Management, Innovation and Technology degree. He is a well respected finance professional with a track record with prominent Zimbabwe Stock Exchange (ZSE) listed companies.

Dr. Rungamo J. Mbire
NON-EXECUTIVE CHAIRMAN

Engineer Robson Nyabadza is a Chartered Electrical Engineer (CEng.). He holds a BSc. (Honours) Degree in Electrical & Electronics Engineering acquired from the University of Zimbabwe in 1981. He has an Engineering Council of Zimbabwe practising License and is a member of the Zimbabwe Institution of Engineers (MZwIE) and the Institution of Technology Engineers (MIET)(UK).

Prior to his appointment as Chief Executive, effective 1 February 2022, he was the Chief Technical Officer for the company. He has vast experience in sugar refining, mining and manufacturing, project management and general management at senior executive level. He has been instrumental in the re-tooling of the sugar refining plant, which is crucial to increasing production, improving plant efficiencies, product quality and growing sales locally and regionally.

Eng. Robson Nyabadza
CHIEF EXECUTIVE OFFICER

Mr Mirirai E. Chiremba holds a BSc Economics degree from the University of Zimbabwe, and a Masters degree in Anti-money laundering/Counter-Financing of Terrorism/Counter-Financing of Proliferation of Weapons of Mass Destruction studies from the University of Charles Sturt, Australia.

After graduating at the UZ in 1984, he spent 2 years working for the public sector, and joined the Central Bank at the end of 1986 where he spent sixteen (16) years, working as a senior manager in the Exchange Control and Bank Supervision departments, and seventeen (17) years as the Director General of the Financial Intelligence Unit.

Mr Chiremba currently consults for entities in the financial sector as a financial crime specialist.

Mirirai E. Chiremba
NON-EXECUTIVE DIRECTOR

Directors’ Profiles

Mr Cliford Matorera holds an Honours degree in Sociology from the University of Zimbabwe and a Master of Science degree in Strategic Management acquired from Chinhoyi University. He is an extensively experienced public servant, and currently, the Chief Director in the Ministry of Public Service, Labour and Social Welfare. He is a past interim Board Chairman of National Social Security Authority. Mr Matorera is a performance management strategist, whose core skills include analytical thinking, knowledge of employment law, leadership and evaluation.

Cliford Matorera
NON-EXECUTIVE DIRECTOR

Mr Aldo J. Musemburi is a lawyer by profession with a Bachelor of Law Honours and Bachelor of Laws degrees from the University of Zimbabwe. He has also attended law development courses at the International Development Law Organisation in Rome, Italy. He has over 30 years of company secretarial and management experience at executive level in enterprises involved in mining, research and development, FMCGs, manufacturing and hospitality.

Aldo J. Musemburi
DIRECTOR OF CORPORATE SERVICES

Mr Formai M. Myambuki is a Chartered Accountant (Zimbabwe) with more than 14 years’ experience. He holds a Bachelor of Accounting Sciences degree, Postgraduate Diplomas in Accounting Sciences and Applied Accounting Sciences from the University of South Africa (UNISA).

He is a highly experienced audit and accounting professional with valuable experience in manufacturing. Prior to his appointment as the Finance Director, he has been Acting Finance Executive of the Company. Mr Myambuki previously held various senior managerial positions having served in positions that include Head of Internal Audit, Finance Executive and Finance Director roles for companies that include, inter alia, Dawn Properties Limited, Lobels Holdings (Private) Limited and Fidelity Life Assurance of Zimbabwe.

Formai M. Myambuki
FINANCE DIRECTOR

Directors' Profiles

Mr Gaylord T. Nyamayi is a Partner and Investment Executive at Takura Capital Partners (Private) Limited. He has vast experience in origination, negotiation, execution, monitoring and exiting of investment transactions in the region.

Mr Nyamayi is a Chartered Accountant who served his articles with KPMG Zimbabwe, before working for the same organisation in the Caribbean Region and United Kingdom. He has in-depth knowledge of alternative investments, having worked for several years in the hedge fund sector in London. He is also a Chartered Financial Analyst Charterholder, who holds a Master of Business Administration degree from University of Cambridge's Judge Business School in the United Kingdom.

Gaylord T. Nyamayi
NON-EXECUTIVE DIRECTOR

Dr. Marvelous Sibanda is a Chartered Mechanical Engineer and manufacturing expert. He holds a BSc (Hons) degree in Mechanical Engineering, a Masters in Manufacturing Systems and Operations Management, a Masters in Business Administration and a PhD in Business Administration. He is a Fellow of the Institution of Mechanical Engineers (IMechE UK), a Fellow of the Zimbabwe Institution of Engineers (ZIE) and an Associate Member of Chartered Institute of Secretaries and Administrators (ICSAZ).

Dr. Sibanda has over 30 years experience in the manufacturing industry of which 17 years were spent in the sugar industry. He held the position of Operations Director before leaving the Company in 2016.

Dr. Marvelous Sibanda
NON-EXECUTIVE DIRECTOR

Corporate Governance Report

Starafrica Corporation Limited (the "Company") is managed in line with established standards of corporate governance, and in conformity with the King IV Code of Corporate Governance.

THE BOARD

The Company is managed in adherence to established standards of corporate governance, and in conformity with the King IV Code of Corporate Governance. The Board comprises 8 Directors, three of whom are Executive Directors. The roles of the Chairman and the Group Chief Executive vest in separate individuals, in line with best practice. The Board meets at least once every quarter for the purposes of formulating policy and strategy, approving budgets, investments and projects, as well as reviewing operations and giving guidance to Management on operational issues.

Board deliberations are guided by a clearly defined Board Charter. The advice of the Company Secretary is available to all Directors and a facility is available for Directors, in the discharge of their mandate, to obtain independent professional advice at the expense of the Company. The Directors' remuneration, which includes that of Executive Directors, is reflected in aggregate in note 6.

THE BOARD COMMITTEES

For the efficient discharge of its duties, the Board has established the following committees:

Audit Committee:

This committee meets at least once every quarter. Some of its responsibilities include discussions with the External Auditor on their report on the Company's annual financial statements, reviewing the entire spectrum of the internal audit processes and consideration of any other matters which may have a material financial impact on the Company. Further, the committee reviews the quality, integrity and reliability of the Company's internal control systems and risk monitoring and evaluation mechanisms. It assesses the objectivity of the External Auditors, in addition to the level of non-audit services supplied and ensures that there is an appropriate audit relationship. The committee comprises of Mr. G.T. Nyamayi (Chairman), Mr. M.E. Chiremba and Dr. M. Sibanda.

Human Capital and Remuneration Committee:

The Human Capital and Remuneration Committee provides oversight over the remuneration of employees below the level of Executive Director and Senior Manager, ensuring that compensation is consistent with the Company's culture, strategy and control environment. The Committee is also responsible to the Board for the policies relating to recruitment, training and development, promotion, resignation, dismissal, retirement and conditions of service for all staff below the level of Executive Director and Senior Manager. During the year under review, the committee comprised of Mr. C. Matorera (Chairman), Mr. R. Magundani and Dr. M. Sibanda.

Corporate Governance Report

Nominations Committee

The role of the Board Nominations Committee is to assist and advise the Board of Directors in fulfilling its responsibilities to members/ shareholders of Starafrica Corporation Limited on:

- Matters relating to the structure and composition of the Board.
- Matters relating to senior executive selection and performance.
- Matters relating to the recruitment of the Chief Executive and fixing compensation for executive directors and senior managers.

The committee comprises of Dr. R.J. Mbire (Chairman), C. Matorera and G.T. Nyamayi.

INTERNAL CONTROL

The Company's internal controls were reviewed for effectiveness during the year under review. The review covered financial, operational and compliance controls, as well as risk management procedures. The controls are designed to manage rather than eliminate risk and can only provide reasonable, and not absolute assurance against material misstatement or loss. In this context, the Directors report that they did not find anything that would have materially affected the smooth running and effectiveness of the Company's systems and procedures during the year under review.

DIRECTORS' INTEREST

The Board has adopted an elaborate system for declaration of interests and assessment of the extent of such interests by the Company Secretary. It assesses the objectivity of the External Auditors, in addition to the level of non-audit services supplied and ensures that there is an appropriate audit relationship.

A.J. Musemburi

COMPANY SECRETARY

Directors' Report

The Directors have pleasure in presenting the report and financial statements of Starafrica Corporation Limited and its subsidiaries (together "the Group") for the year ended 31 March 2023.

NON-CURRENT ASSETS

The Group's non-current assets were as follows:

	2023 ZWL$	2022 ZWL$
Property, plant and equipment	10 452 358 601	6 106 562 805
Investment property	5 854 000 000	3 569 321 043
Investment in associate	1 328 822 404	568 947 987
Balance as at 31 March	**17 635 181 005**	**10 244 831 835**

BORROWING POWERS

In terms of Article 87 of the Articles of Association, the Company is authorised to borrow funds amounting to, but not exceeding the sum of :-

a) twice the amount of issued and paid up share capital of the Company, and

b) twice the aggregate amounts of capital and revenue reserves of the Company, including share premium.

DIVIDEND

Considering the Group's thrust to refurbish and replace critical items of plant and machinery and the desire to ensure adequate working capital is maintained, the Directors have deemed it fit not to declare a dividend for the year ended 31 March 2023 (31 March 2022: ZWL nil).

EFFECT OF STATUTORY INSTRUMENT 98 OF 2022 : SUSPENSION OF DUTY ON IMPORTATION OF BASIC COMMODITIES

On the 17th of May 2022, the Zimbabwean government, through the Minister of Finance and Economic Development, introduced Statutory Instrument 98 of 2022 which immediately and wholly suspended customs duties on importation of basic commodities including sugar, which was the primary product of Starafrica Corporation Limited. This pronouncement was valid for a period of 6 months from 17th of May 2022 to the 16th of November 2022.

The business performed an impact assessment and it was determined that the likely impact of this law will be moderate to low as there is a lower global supply of sugar which is unlikely to be resolved within the next 12 months. This will likely result in the demand for locally produced sugar remaining largely unaffected as alternative offshore sources may not be able to meet the needs. The 2021/2022 farming season bore some high yields of sugar cane in Zimbabwe which are expected to augment the raw sugar supply situation in the country. The Company will continue sourcing its primary raw material, raw sugar, from Zimbabwe Sugar Sales which will ensure uninterrupted operations at the refinery. The business will continue to assess and anticipate the full-scale impact of the Statutory Instrument 98 of 2022.

Directors' Report

IMPACT OF THE RUSSIA-UKRAINE CONFLICT

Global economic shocks arising from the Russia-Ukraine conflict triggered increases in grain and oil prices towards the end of 2022 financial year and beyond.

This has had the direct effect of increasing costs of production across industry as oil price escalations have affected all businesses which rely on the transportation of raw materials or finished goods. The direct effect on Starafrica, however, has not been significant, save for the downstream effect of price escalations on costs of raw materials, which suppliers have increased in varying degrees in response to these global shocks.

None of the Directors have any links to Russia, which have caused, or are likely to cause, sanctions being imposed on those Directors or on the Company.

SHARE CAPITAL

Details of authorised and issued share capital are set out in note 3 to the financial statements.

DIRECTORATE

The names of the current Directors of the Company are set out on page 12. Shareholders will be asked to re-elect the Directors retiring by rotation and approve Directors' fees for the year ended 31 March 2023. Subsequent to the year ended 31 March 2023, Ms. R. Magundani resigned on 30 June 2023.

By Order Of the Board

A.J. Musemburi
COMPANY SECRETARY

Directors' Responsibility Statement

RESPONSIBILITY

It is the directors' responsibility to prepare annual financial statements that present a true and fair view of the Company and the Group as at the end of the financial year; and of the profit or loss for the year in accordance with International Financial Reporting Standards and in the manner required by the provisions of the Companies And Other Business Entities Act (Chapter 24:31). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

COMPLIANCE WITH COMPANIES AND OTHER BUSINESS ENTITIES ACT (CHAPTER 24:31)

These financial statements, which have been inflation adjusted, are in agreement with the underlying books and records and have been prepared in accordance with the Group's accounting policies. However, due to items detailed in the currency note 1.3 under "Notes to Financial Statements", the financial statements have not been prepared in conformity with the International Financial Reporting Standards ("IFRS"), promulgated by the International Accounting Standards Board (the "IASB"). As such the Group has not complied with the Companies and Other Business Entities Act (Chapter 24:31) and the relevant Statutory Instruments.

APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board and are signed on its behalf by the Chairman and the Chief Executive.

R.J Mbire (PhD)
CHAIRMAN
2 November 2023

R. Nyabadza
CHIEF EXECUTIVE
2 November 2023

Certificate By The Company Secretary

In my capacity as the Company Secretary, I confirm that in terms of the Companies and Other Business Entities Act (Chapter 24:31), the Company has lodged with the Registrar of Companies, all such returns as are required of a public listed company in terms of this Act and that all such returns are true, correct and up to date.

A. J. Musemburi
COMPANY SECRETARY

Annual Financial Statements

Independent auditor's report

To the Shareholders of Starafrica Corporation Limited

Our adverse opinion

In our opinion, because of the significance of the matters discussed in the *Basis for adverse opinion* section of our report, the consolidated and separate financial statements do not present fairly the consolidated and separate financial position of Starafrica Corporation Limited (the "Company") and its subsidiaries (together the "Group") as at 31 March 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited

Starafrica Corporation Limited's consolidated and separate financial statements set out on pages 40 to 107 comprise:

- the consolidated and separate statements of financial position as at 31 March 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for adverse opinion

An adverse opinion was issued on the consolidated and separate financial statements as at 31 March 2022, and for the year then ended, due to the use of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign denominated transactions and balances as required by International Accounting Standard ("IAS") 21, '*The Effects of Changes in Foreign Exchange Rates*' ("IAS 21"), the effects of the Group and Company's change in functional currency on 22 February 2019 which is not in compliance with IAS 21 which would have required a functional currency change on 1 October 2018, the inappropriate application of IAS 8, '*Accounting Policies, Changes in Accounting Estimates and Errors*' ("IAS 8"), and the related consequential effects on the hyperinflationary adjustments made in terms of IAS 29, *'Financial Reporting in Hyperinflationary Economies*' ("IAS 29").

The opinion was further modified due to the impact of using United States of America dollar ("US$") valuation inputs rather than local currency valuation inputs, and then translating the value so derived to Zimbabwean dollar ("ZWL") using the interbank foreign exchange rate as per the Foreign Exchange Auction Trading System of the Reserve Bank of Zimbabwe at the reporting date, when valuing investment property, and commercial land and buildings ("properties") included in consolidated property, plant and equipment as at 31 March 2021. Notwithstanding the fact that the spot rate applied as at 31 March 2021 was considered to meet the spot rate definition as per IAS 21, the application of a conversion rate to US$ valuation inputs and a US$ based valuation to calculate ZWL investment property, and commercial land and buildings values was not an accurate reflection of market dynamics as the risks associated with currency trading do not reflect the risks associated with investment property, and commercial land and buildings trading. As a result, the opening properties, revaluation reserve and retained earnings balances as at 1 April 2021 recognised in the consolidated

statement of financial position, and the related fair value movements and depreciation recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022 are misstated as a result of the misstatement described above with respect to the valuation of properties in the prior year.

Our opinion on the consolidated and separate financial statements as at 31 March 2023, and for the year then ended, is modified because of the possible effects that these matters have on the current year consolidated and separate financial statements and the comparability of the current year's figures to that of the comparative period. These possible effects are outlined below.

The misstatements described in the paragraph above with respect to the application of IAS 21 affect the historical amounts which are used in the calculation of the inflation adjusted amounts. Had the Group and Company changed their functional currency in accordance with the requirements of IAS 21 and restated amounts retrospectively in accordance with the requirements of IAS 8, and then inflation adjusted in accordance with IAS 29 as at 31 March 2023, property, plant and equipment (excluding land and buildings at fair value), investment in subsidiaries, investment in associate and retained earnings in the consolidated and separate statements of financial position as at 31 March 2023, and the related depreciation and income tax movements within the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended, would have been materially restated. It was not practicable to quantify the financial effects of these matters on the consolidated and separate financial statements for the year ended 31 March 2023.

The opening and closing retained earnings and non-distributable reserve balances in equity as at 1 April 2022 and 31 March 2023 recognised in the consolidated statement of changes in equity, and as at 31 March 2023 in the consolidated statement of financial position are misstated as a result of the misstatement of depreciation in prior years as described above with respect to the incorrect valuation of land and buildings included in property, plant and equipment balances as at 31 March 2021. It was not practicable to quantify the financial impact of this misstatement on the consolidated financial position as at 31 March 2023, and for the year then ended. This has also had an impact on the comparability of the current year's figures to that of the comparative period.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

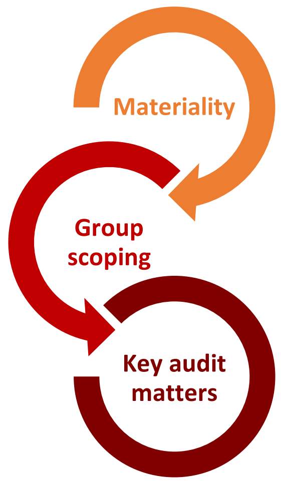
We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

Our audit approach

Overview



Overall group materiality	Overall group materiality: ZWL501,371,680 which represents 1% of total revenue.
Group audit scope	● We conducted full scope audits of the financial information of the parent company and its two operating subsidiaries and performed specified procedures on the financial information of six non-operating subsidiaries.
Key audit matters	● Matters described in the basis for adverse opinion.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors' subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They 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 consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

Overall group materiality	ZWL 501,371,680
How we determined it	*1% of total revenue*
Rationale for the materiality benchmark applied	*In prior years, profit before income tax was considered as the appropriate benchmark, however in the current year, revenue has been considered as the appropriate benchmark due to the volatility of profit before income tax.*

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. 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. Other than the matters described in the *Basis for adverse opinion* section, we have determined that there are no additional key audit matters to be communicated in our report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "Starafrica Corporation Limited Annual Report 2023". The other information does not include the consolidated and the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact . As described in the Basis for adverse opinion section above, the financial statements contain material misstatements with respect to the application of IAS 21 during the financial year ended 31 March 2019 when the Group and Company used of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign denominated transactions and balances and incorrectly accounted for the change in functional currency, and their consequential effects on the hyperinflationary adjustments made in terms of IAS 29 for all the financial year ends since 31 March 2019, as well as the impact of exchange rates used to convert US$ valuation inputs to determine the ZWL fair value of properties as at 31 March 2020 and 31 March 2021. We have concluded that the other information is materially misstated for the same reasons, with respect to the amounts or other items in the other information affected by these matters.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe 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 consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's abilities to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated and separate financial statements. As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group and the Company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group and the Company's abilities to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate

  financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Clive K. Mukondiwa
Registered Public Auditor
Public Accountants and Auditors Board, Public Auditor Registration Number 0439
Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 253168
Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

7 November 2023

Harare, Zimbabwe

Statement Of Financial Position

FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED (AUDITED)			
		GROUP		COMPANY	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	9	10 452 358 601	6 106 562 805	-	-
Investment property	10	5 854 000 000	3 569 321 043	-	-
Investment in an associate	11.1	1 328 822 404	568 947 987	13 268 173	13 268 173
Investment in subsidiaries	11.2	-	-	2 537 188 426	2 537 188 426
		17 635 181 005	**10 244 831 835**	**2 550 456 599**	**2 550 456 599**
Current assets					
Inventories	12	1 682 313 418	1 816 532 517	-	-
Trade and other receivables	13	2 650 154 933	1 253 318 618	611 349 766	1 159 912 193
Prepayments	13.2	1 703 792 043	1 611 535 826	-	-
Cash and cash equivalents	14.4	828 056 995	1 214 655 551	165 069 067	22 105 313
		6 864 317 389	**5 896 042 512**	**776 418 833**	**1 182 017 506**
Total assets		**24 499 498 394**	**16 140 874 347**	**3326 875 432**	**3 732 474 105**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	3	64 265 555	64 265 555	64 265 555	64 265 555
Share premium		7 719 560 749	7 719 560 749	7 719 560 749	7 719 560 749
Non-distributable reserves	5	5 575 281 268	1 680 702 264	-	-
(Accumulated losses)/retained earnings		(1 421 359 270)	480 353 983	(4 532 626 475)	(4158 041 900)
		11 937 748 302	**9 944 882 551**	**3 251 199 829**	**3 625 784 404**
Non-controlling interest	11.3	1 196 254 260	1 024 391 582	-	-
Total equity		**13 134 002 562**	**10 969 274 133**	**3 251 199 829**	**3 625 784 404**
Non-current liabilities					
Loans and borrowings		-	-	-	-
Deferred tax liability	17	1 787 337 923	1 485 549 485	785 730	15 784 446
		1 787 337 923	**1 485 549 485**	**785 730**	**15 784 446**
Current liabilities					
Payables and provisions	18	8 494 498 694	3 116 576 180	165 265	483 718
Short-term borrowings	15.2	759 002	2 221 540	-	-
Bank overdraft	14.4	912 369 472	-	-	-
Income tax payable	7.2	170 530 741	567 253 009	74 724 608	90 421 537
		9 578 157 909	3 686 050 729	74 889 873	90 905 255
Total liabilities		**11 365 495 832**	**5 171 600 214**	**75 675 603**	**106 689 700**
Total equity and liabilities		**24 499 498 394**	**16 140 874 347**	**3 326 875 432**	**3 732 474 105**

Statement Of Financial Position

FOR THE YEAR ENDED 31 MARCH 2023

		HISTORICAL COST (UNAUDITED)			
		GROUP		COMPANY	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	9	8 665 683 215	1 629 165 737	-	-
Investment property	10	5 854 000 000	1 219 480 000	-	-
Investment in an associate	11.1	1 328 822 404	194 384 502	99 279	99 279
Investment in subsidiaries	11.2	-	-	37 176 598	37 176 598
		15 848 505 619	3 043 030 239	37 275 877	37 275 877
Current assets					
Inventories	12	1 680 951 158	616 542 405	-	-
Trade and other receivables	13	2 650 154 933	428 203 844	611 349 765	396 290 976
Prepayments	13.2	1 672 517 234	519 791 075	-	-
Cash and cash equivalents	14.4	828 056 995	414 994 374	165 069 067	7 552 413
		6 831 680 320	**1 979 531 698**	**776 418 832**	**403 843 389**
Total assets		**22 680 185 939**	**5 022 561 937**	**813 694 709**	**441 119 266**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital	3	480 866	480 866	480 866	480 866
Share premium		57 761 526	57 761 526	57 761 526	57 761 526
Non-distributable reserves	5	7 343 816 485	1 362 593 169	-	-
(Accumulated losses)/retained earnings		3 862 525 931	1 804 369 301	679 776 714	346 425 696
		11 264 584 808	3 225 204 862	738 019 106	404 668 088
Non-controlling interest	11.3	497 702 700	165 047 849	-	-
Total equity		**11 762 287 508**	**3 390 252 711**	**738 019 106**	**404 668 088**
Non-current liabilities					
Loans and borrowings	-	-	-	-	-
Deferred tax liability	17	1 345 671 769	372 947 828	785 730	5 392 851
		1 345 671 769	**372 947 828**	**785 730**	**5 392 851**
Current liabilities					
Payables and provisions	18	8 488 567 447	1 064 796 994	165 265	165 265
Short-term borrowings	15.2	759 002	759 002	-	-
Bank overdraft	14.4	912 369 472	-	-	-
Income tax payable	7.2	170 530 741	193 805 402	74 724 608	30 893 062
		9 572 226 662	1 259 361 398	74 889 873	31 058 327
Total liabilities		**10 917 898 431**	**1 632 309 226**	**75 675 603**	**36 451 178**
Total equity and liabilities		**22 680 185 939**	**5 022 561 937**	**813 694 709**	**441 119 266**

The historical amounts are shown as supplementary information. This does not comply with the international financial reporting standards in that it has not taken account of the requirements of International Accounting Standard 29 financial reporting in hyperinflationary economies. As a result the auditors have not expressed an opinion on the historical financial information.

R. J. Mbire
CHAIRMAN
7 November 2023

R. Nyabadza
CHIEF EXECUTIVE
7 November 2023

Statement Of Profit Or Loss And Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED (AUDITED)			
		GROUP		COMPANY	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Revenue from contracts with customers	4.1	49 799 631 333	38 367 396 293	-	-
Rental income	4.2	337 536 723	162 249 670	-	-
Total turnover	**4**	**50 137 168 056**	**38 529 645 963**	**-**	**-**
Cost of sales	6.1	(42 142 629 198)	(29 923 904 688)	-	-
Gross profit		**7 994 538 858**	**8 605 741 275**	**-**	**-**
Other income	6.2	581 558 070	124 796 508	-	54 439 124
Investment income	6.3	-	-	322 493 328	442 294 784
Fair value gain on investment property	10	2 594 756 918	1 131 665 088	-	-
Selling and distribution expenses	6.4	(1 710 856 758)	(528 424 139)	-	-
Administrative expenses	6.5	(7 054 598 132)	(4 446 818 475)	(159 032)	(250 266)
Expected credit losses	13.1	(107 090 825)	(31 807 918)	-	(11 716 284)
Impairment loss	6.6	-	(2 877 599)	-	-
Exchange (loss)/gain		(1 884 824 254)	134 412 202	94 713 958	65 947 159
Operating profit		**413 483 877**	**4 986 686 942**	**417 048 254**	**550 714 517**
Finance cost	14.2	(49 752 321)	(4 231 058)	-	(3 932 802)
Finance income	14.2	127 374	1 085 683	152 181	1 076 033
Loss on net monetary position		(2 427 355 561)	(2 010 878 286)	(733 131 231)	(687 040 958)
Share of profit of an associate	11.1	319 572 506	158 946 565	-	-
(Loss)/profit before income tax	**6**	**(1 743 924 125)**	**3 131 609 846**	**(315 930 796)**	**(139 183 210)**
Income tax (credit)/expense	7	14 073 551	(797 957 472)	(58 653 778)	30 479 525
(Loss)/profit for the year		**(1 729 850 574)**	**2 333 652 374**	**(374 584 574)**	**(108 703 685)**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations	11.1	1 118 835 311	223 367 608	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:		**1 118 835 311**	**223 367 608**	**-**	**-**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Revaluation of property, plant and equipment	9 (b)	3 246 581 705	886 737 679	-	-
Impairment of previously revalued assets		-		-	
Income tax relating to components of other comprehensive income	17	(470 838 012)	(219 201 554)	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**2 775 743 693**	**667 536 125**	**-**	**-**
Other comprehensive income for the year, net of tax		**3 894 579 004**	**890 903 733**	**-**	**-**
Total comprehensive income/(loss)		**2 164 728 430**	**3 224 556 106**	**(374 584 574)**	**(108 703 685)**
(Loss)/profit attributable to					
Non-controlling interests		171 862 678	201 830 367	-	-
Equity holders of the parent		(1 901 713 252)	2 131 822 007	(374 584 574)	(108 703 685)
		(1 729 850 574)	**2 333 652 374**	**(374 584 574)**	**(108 703 685)**
Total comprehensive income/(loss) attributable to:	11.3				
Non-controlling interests		171 862 678	201 830 367	-	-
Equity holders of the parent		1 992 865 752	3 022 725 740	(374 584 574)	(108 703 685)
		2 164 728 430	**3 224 556 107**	**(374 584 574)**	**(108 703 685)**
Earnings per share					
Basic (cents)	8.1	(39.55)	44.33		
Diluted (cents)	8.2	(39.55)	44.33		
Headline earnings per share	8.3	(53.14)	24.51		

Statement Of Profit Or Loss And Other Comprehensive Income

FOR THE YEAR ENDED 31 MARCH 2023

		HISTORICAL COST (UNAUDITED)			
		GROUP		COMPANY	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Revenue from contracts with customers	4.1	42 170 080 794	10 136 745 197	-	-
Rental income	4.2	297 056 510	44 203 429	-	-
Total turnover	**4**	**42 467 137 304**	**10 180 948 626**	**-**	**-**
Cost of sales	6.1	(35 919 437 593)	(7 937 172 411)	-	-
Gross profit		**6 547 699 711**	**2 243 776 215**	**-**	**-**
Other income	6.2	550 123 197	32 655 249	-	18 599 454
Investment income	6.3	-	-	303 969 915	104 129 293
Fair value gain on investment property	10	4 740 460 000	737 220 000	-	-
Selling and distribution expenses	6.4	(1 597 050 395)	(145 244 401)	-	-
Administrative expenses	6.5	(5 948 614 486)	(1 196 894 174)	(150 368)	(62 340)
Expected credit losses	13.1	(149 328 105)	(15 519 739)	-	(4 002 939)
Impairment loss	6.6	-	(21 532)	-	-
Exchange (loss)/gain		(1 862 774 394)	45 376 864	94 713 958	22 663 381
Operating profit		**2 280 515 528**	**1 701 348 482**	**398 533 505**	**141 326 849**
Finance cost	14.2	(49 599 967)	(881 632)	-	(810 481)
Finance income	14.2	106 047	278 238	106 047	278 238
Loss on net monetary position		-	-	-	-
Share of profit of an associate	11.1	319 572 506	54 305 050	-	-
(Loss)/profit before income tax	**6**	**2 550 594 114**	**1 755 050 138**	**398 639 552**	**140 794 606**
Income tax expense	7	(159 782 633)	(304 170 173)	(65 288 534)	181 007
(Loss)/profit for the year		**2 390 811 481**	**1 450 879 965**	**333 351 018**	**140 975 613**
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations	11.1	1 118 835 311	76 314 887	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:		**1 118 835 311**	**76 314 887**	**-**	**-**
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Revaluation of property, plant and equipment	9 (b)	5 826 600 732	708 891 678	-	-
Impairment of previously revalued assets		-	-	-	-
Income tax relating to components of other comprehensive income	17	(964 212 727)	(174 744 788)	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**4 862 388 005**	**534 146 890**	**-**	**-**
Other comprehensive income for the year, net of tax		**5 981 223 316**	**610 461 777**	**-**	**-**
Total comprehensive income/(loss)		**8 372 034 797**	**2 061 341 742**	**333 351 018**	**140 975 613**
(Loss)/profit attributable to					
Non-controlling interests		332 654 850	81 812 170	-	-
Equity holders of the parent		2 058 156 631	1 369 067 795	333 351 018	140 975 613
		2 390 811 481	**1 450 879 965**	**333 351 018**	**140 975 613**
Total comprehensive income attributable to:	11.3				
Non-controlling interests		332 654 850	81 812 170	-	-
Equity holders of the parent		8 039 379 947	1 979 529 572	333 351 018	140 975 613
		8 372 034 797	**2 061 341 742**	**333 351 018**	**140 975 613**
Earnings per share					
Basic (cents)	8.1	42.80	28.47		
Diluted (cents)	8.2	42.80	28.47		
Headline earnings per share (cents)	8.3	(7.79)	16.22		

Statement Of Changes In Equity

FOR THE YEAR ENDED 31 MARCH 2023

INFLATION ADJUSTED (AUDITED)	**GROUP**							
	Attributable To Equity Holders Of The Parent							
	Issued Capital (Note 3) ZWL$	**Share Premium (Note 3) ZWL$**	**Non - distributable Reserve (Note 5) ZWL$**	**Equity component of compound financial instruments ZWL$**	**Retained Earnings ZWL$**	**Total ZWL$**	**Non-controlling Interest ZWL$**	**Total Equity ZWL$**
Balance as at 31 March 2021	**64 265 555**	**7 719 560 749**	**789 798 531**	**13 921 010**	**(1 665 389 034)**	**6 922 156 811**	**822 561 215**	**7 744 718 026**
Total comprehensive income for the year ended 31 March 2022	-	-	890 903 733	-	2 131 822 007	**3 022 725 740**	201 830 367	3 224 556 107
Profit for the year	-	-	-	-	2 131 822 007	**2 131 822 007**	201 830 367	2 333 652 374
Other comprehensive income	-	-	890 903 733	-	-	**890 903 733**	-	890 903 733
Derecognition of equity component of compound financial instrument (Note15.4)	-	-	-	(13 921 010)	13 921 010	-	-	-
Balance as at 31 March 2022	**64 265 555**	**7 719 560 749**	**1 680 702 264**	**-**	**480 353 983**	**9 944 882 551**	**1 024 391 582**	**10 969 274 133**
Total comprehensive income for year ended 31 March 2023	-	-	3 894 579 004	-	(1 901 713 253)	**1 992 865 751**	171 862 678	2 164 728 429
(Loss)/profit for the year	-	-	-	-	(1 901 713 253)	**(1 901 713 253)**	171 862 678	(1 729 850 575)
Other comprehensive income	-	-	3 894 579 004	-	-	**3 894 579 004**	-	3 894 579 004
Balance as at 31 March 2023	**64 265 555**	**7 719 560 749**	**5 575 281 268**	**-**	**(1 421 359 270)**	**11 937 748 302**	**1 196 254 260**	**13 134 002 562**

INFLATION ADJUSTED (AUDITED)	**COMPANY**				
	Share capital ZWL$	**Share Premium ZWL$**	**Retained Earnings ZWL$**	**Non - distributable Reserve ZWL$**	**Total ZWL$**
Balance as at 1 April 2021	**64 265 555**	**7 719 560 749**	**-**	**(4 049 338 215)**	**3 734 488 089**
Total comprehensive income for the year ended 31 March 2022	-	-	-	(108 703 685)	(108 703 685)
Balance as at 1 April 2022	**64 265 555**	**7 719 560 749**	**-**	**(4 158 041 900)**	**3 625 784 404**
Total comprehensive income for the year ended 31 March 2023	-	-	-	(374 584 576)	(374 584 576)
Balance as at 31 March 2023	**64 265 555**	**7 719 560 749**	**-**	**(4 587 065 598)**	**3 196 760 705**

The historical cost amounts are shown as supplementary information. This does not comply with the International Financial Reporting Standards in that it has not taken account of the requirements of "IAS" 29 Financial Reporting in Hyperinflationary Economies. As a result, the Independent Auditor has not expressed an opinion on the historical financial information.

Statement Of Changes In Equity

FOR THE YEAR ENDED 31 MARCH 2023

HISTORICAL COST UNAUDITED)	**GROUP**							
	Attributable To Equity Holders Of The Parent							
	Issued Capital (Note 3) ZWL$	**Share Premium (Note 3) ZWL$**	**Non - distributable Reserve (Note 5) ZWL$**	**Equity component of compound financial instruments ZWL$**	**Retained Earnings ZWL$**	**Total ZWL$**	**Non-controlling Interest ZWL$**	**Total Equity ZWL$**
Balance as at 31 March 2021	**480 866**	**57 761 526**	**761,638,552**	**99 792**	**425 694 554**	**1 245 675 290**	**83 235 679**	**1 328 910 969**
Total comprehensive income for the year ended 31 March 2022	-	-	610 461 777	-	1 369 067 794	**1 979 529 571**	81 812 170	2 061 341 741
Profit for the year	-	-	-	-	1 369 067 794	**1 369 067 794**	81 812 170	1 450 879 964
Other comprehensive income	-	-	610 461 777	-	-	**610 461 777**	-	610 461 777
Reclassification of foreign currency reserves	-	-	(9 507 160)	-	9 507 160	-	-	-
Derecognition of equity component of compound financial instrument (Note15.4)	-	-	-	(99 792)	99 792	-	-	-
Balance as at 31 March 2022	**480 866**	**57 761 526**	**1 362 593 169**	**-**	**1 804 369 300**	**3 225 204 861**	**165 047 849**	**3 390 252 710**
Total comprehensive income for year ended 31 March 2023	-	-	5 981 223 316	-	2 058 156 631	**8 039 379 947**	332 654 851	8 372 034 798
Profit for the year	-	-	-	-	2 058 156 631	**2 058 156 631**	332 654 851	2 390 811 482
Other comprehensive income	-	-	5 981 223 316	-	-	**5 981 223 316**	-	5 981 223 316
Balance as at 31 March 2023	**480 866**	**57 761 526**	**7 343 816 485**	**-**	**3 862 525 931**	**11 264 584 808**	**497 702 700**	**11 762 287 508**

HISTORICAL COST (UNAUDITED)	**COMPANY**				
	Share capital ZWL$	**Share Premium ZWL$**	**Retained Earnings ZWL$**	**Non - distributable Reserve ZWL$**	**Total ZWL$**
Balance as at 1 April 2021	**480 866**	**57 761 526**	**29 221 409**	**176 228 674**	**263 692 475**
Reclassification of foreign currency reserves	-	-	(29 221 409)	29 221 409	-
Total comprehensive income for the year ended **31 March 2022**	**-**	**-**	**-**	**140 975 613**	**140 975 613**
Balance as at 1 April 2022	**480 866**	**57 761 526**	**-**	**346 425 696**	**404 668 088**
Total comprehensive income for the year ended 31 March 2022	-	-	-	333 351 018	333 351 018
Balance as at 31 March 2023	**480 866**	**57 761 526**	**-**	**679 776 714**	**738 019 106**

The historical cost amounts are shown as supplementary information. This does not comply with the International Financial Reporting Standards in that it has not taken account of the requirements of "IAS" 29 Financial Reporting in Hyperinflationary Economies. As a result the Independent Auditor has not expressed an opinion on the historical financial information.

Statement Of Cash Flows

FOR THE YEAR ENDED 31 MARCH 2023

		INFLATION ADJUSTED (AUDITED)				HISTORICAL COST (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
	Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Cash flows from operating activities									
Cash (used in)/generated from operations	14.3	(369 218 784)	2 895 336 288	642 798 900	136 570 788	305 222 773	512 983 331	(215 209 157)	(140 992 849)
Finance cost paid	14.2(b)	(49 752 321)	(3 932 802)	-	(3,932,802)	(49 599 967)	(810 481)	-	(810 481)
Income tax paid	7.2	(204 220 597)	(471 071 466)	(66 022 656)	(28 210 972)	(174 493 843)	(130 390 378)	(26 064 108)	(5 669 645)
Net cash flows generated / (used) in operating activities		**(623 191 702)**	**2 420 332 020**	**576 776 244**	**104 427 014**	**81 128 963**	**381 782 472**	**(241 273 265)**	**(147 472 975)**
Cash flows from Investing activities									
Acquisition of property, plant and equipment	9	(1 407 473 606)	(1 196 604 549)	-	-	(1 281 293 607)	(352 577 256)	-	-
Proceeds on disposal of property, plant and equipment		29 006 746	785 958	-	-	25 640 777	236 944	-	-
Proceeds on disposal of investment property		449 533 035	-	-	-	440 604 255	-	-	-
Finance income received		127 374	1 085 683	152 181	1 076 033	106 047	278 238	106,047	278 238
Dividends received from associate	11.1	322 493 328	442 294 783	322 493 328	442 294 784	303 969 915	104 129 293	303 969 915	104 129 293
Net cash flows used in investing activities		**(606 313 123)**	**(752 438 125)**	**322 645 509**	**443 370 817**	**(510 972 613)**	**(247 932 781)**	**304 075 962**	**104 407 531**
Cash flows from financing activities									
Loans paid	15.3	-	(3 256 410)	-	-	-	(654 451)	-	-
Net cash flows used in financing activities		**-**	**(3 256 410)**	**-**	**-**	**-**	**(654 451)**	**-**	**-**
Net (decrease) / increase in cash and cash equivalents		**(1 229 504 825)**	**1 664 637 485**	**899 421 763**	**547 797 831**	**(429 843 649)**	**133 195 240**	**62 802 697**	**(43 065 444)**
Cash and cash equivalents at 1 April	14.4	1 214 655 550	1 170 759 382	22 105 313	153 025 038	414 994 374	231 620 225	7 552 413	30 274 106
Net foreign exchange difference and impact of inflation		**(69 463 202)**	**(1 620 741 316)**	**(756 457 999)**	**(678 717 556)**	**(69 463 202)**	**50 178 909**	**94 713 957**	**20 343 751**
Cash and cash equivalents at 31 March		**(84 312 477)**	**1 214 655 551**	**165 069 067**	**22 105 313**	**(84 312 477)**	**414 994 374**	**165 069 067**	**7 552 413**

* The historical amounts are shown as supplementary information. This does not comply with the International Financial Reporting Standards in that it has not taken account of the requirements of International Accounting Standard 29 Financial Reporting in Hyperinflationary Economies. As a result the auditors have not expressed an opinion on the historical financial information.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

1.1 CORPORATE INFORMATION

The consolidated financial statements of Starafrica Corporation Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2023 were authorised for issue in accordance with a resolution of the directors on 21 September 2023. Starafrica Corporation limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded through the Zimbabwe Stock Exchange.

1.2 CORPORATE INFORMATION

Nature of business

Name	%Equity interest 2023	2022	Nature of Business
Starafrica Corporation Limited			Holding company
Starafrica Operations (Private) Limited	100%	100%	Sugar refining, manufacture of sugar based products, provision of bulk haulage services, marketing and distribution of sugar
Red Star Holdings Limited	100%	100%	Dormant
Silver Star Properties (Private) Limited	100%	100%	Property-holding company
Starafrica International Limited	100%	100%	Dormant
Namibstar Trading (Proprietary) Limited	100%	100%	Dormant
Tongaat Hulett (Botswana) Limited	33.33%	33.33%	Packaging and distribution of refined sugar

1.3 (a) Legacy currency issues

On 22 February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019 as an amendment to the Reserve Bank of Zimbabwe Act. It introduced a new currency called the Real Time Gross Settlement dollar (now the Zimbabwean dollar ("ZWL") and directed that all assets and liabilities that were in United States of America dollars ("US$") immediately before 22 February 2019 (with the exception of those referred to in Section 44C (2) of the Reserve Bank Act) be deemed to have been in ZWL at a rate of 1:1 to the US$. The guidance issued by the Public Accountants and Auditors Board (the "PAAB") notes that this is contrary to IAS The Effects of Changes in Foreign Exchange Rates "IAS 21". "IAS 21" requires an entity to apply certain parameters to determine the functional currency for use in preparing financial statements. It also requires the exercise of judgements regarding exchange rates in circumstances where exchangeability through a legal and market exchange system is not achievable. The Group however adopted the RTGS dollar as the new functional and reporting currency with effect from 22 February 2019 at an interbank midrate of US$1: ZWL $2.5 in order to comply with Statutory Instrument 33. The interbank midrate was adopted as it was the only legal source of exchange rates to come before, which however, did not represent the fair value of the currencies. The Company therefore did not conform to the requirements of IAS 21.

The Group prepares financial statements with the aim to fully comply with International Financial Reporting Standards ("IFRS") which comprise standards issued by the International Accounting Standards Board (the "IASB") and interpretations developed and issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Compliance with IFRS is intended to achieve consistency and comparability of financial statements. However, it has been impracticable to fully comply with IFRS in the current and prior years, due to the need to comply with local legislation, specifically Statutory Instrument 33 of 2019. The directors are of the view that the requirement to comply with the Statutory Instrument has created inconsistencies with IAS 21 as well as with the principles embedded in the IFRS Conceptual Framework. This has resulted in the accounting treatment adopted in the 2019, 2020, 2021,2022 and 2023 financial statements being different from that which the directors would have adopted if the Group had been able to fully comply with IFRS.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

1 . CORPORATE INFORMATION (CONTINUED)

1.3 (b) Determination of functional currency.

The Group is operating in an environment which has witnessed significant monetary and exchange control policy changes. On the 17th of June 2020, an RBZ Exchange Control Directive RV175/2020 was issued on the introduction of a Foreign Exchange Auction System. Foreign exchange auction trading system was operationalised with effect from 23 June 2020 and foreign currency trading was conducted through the Foreign Exchange Auction Trading System through a bidding system. On the 24th of July 2020, Statutory Instrument 85 of 2020 was promulgated which amended the exclusive use of the Zimbabwe dollar for domestic transactions rules by allowing dual pricing and displaying, quoting and offering of prices for domestic goods and services. The Statutory Instrument also permitted any person who provides goods or services in Zimbabwe to display, quote or offer the price for such goods or services in both Zimbabwe dollar and foreign currency at the ruling exchange rate.

Given the context of the environment, management has assessed if there has been a change in the functional currency of the Group. The assessment included consideration of whether the use of free funds in paying for goods and services may represent a change in functional currency. In doing so, management considered parameters set in IAS 21 and made the judgments as follows;

- The currency that mainly influences the sales prices for goods and services
  The business has been operating in a ZWL denominated economic environment. Selling prices of goods are determined after considering the costs of production plus a markup, which are all denominated in ZWL.
- The currency of the competitive forces and regulations that mainly determines the selling prices of goods and services.
  While legislation in the country has allowed application of a multi-currency system, the ZWL was designated as the sole transactional, functional and reporting currency through Statutory Instrument 33 of 2019 (SI33/19) dated 22 February 2019 and Statutory Instrument 142 of 2019 (SI142/19) dated 24 June 2019.
- The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)
  The main input into production, raw sugar, which constitutes 70% of the costs of production, had its prices purely denoted in ZWL for the period under review with no indexing or reference to any other currency. Other major costs such as labour, electricity and water are also solely denominated in ZWL.
- The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.
- Funds from financing activities were mainly generated in foreign currency, particularly the United States dollar. All receipts from activities are retained in ZWL through the Group's bank accounts. The business is not enticed to immediately convert ZWL operating income earned to any other currency as the main costs of operations are designated in ZWL.

After considering the above factors and judgments made as well as guidance from IAS 21, the directors concluded that the Group's functional currency remains the Zimbabwe dollar (ZWL) as presented in the prior and current year financial statements and all values are rounded to the nearest ZWL except when otherwise indicated.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

1 . CORPORATE INFORMATION (CONTINUED)

1.3 (c) Statement of Compliance

Because of the items detailed in the above currency paragraph, the financial statements have not been prepared in conformity with the IFRS specifically IAS 21, promulgated by the IASB. As such the Group has not complied with the Companies And Other Business Entities Act (Chapter 24:31) as it requires the financial statements to be prepared in accordance with the IFRS.

The principal accounting policies applied in the preparation of these consolidated financial statements are set out below. These policies have been consistently applied, unless otherwise stated.

2.1 BASIS OF PREPARATION (CONTINUED)

International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies

These financial statements have been prepared under the inflation adjusted accounting basis in line with the provisions of IAS 29 - Financial Reporting in Hyperinflationary Economies ("IAS 29"). The Public Accountants and Auditors Board pronounced on 11 October 2019 that the Zimbabwean economy was trading under hyperinflationary conditions. The directors have applied the guidelines provided by the PAAB and accounting bodies and applied the hyperinflation accounting principles.

Inflation adjusted financial statements have been drawn up using the conversion factors derived from the consumer price index ("CPI") prepared by the Zimbabwe Central Statistical Office.

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

Month	All Items CPI Indices	Conversion Factors
March 2023	13,949.99	1.0000
February 2023	13,849.20	1.0073
January 2023	13,819.67	1.0094
December 2022	13,672.91	1.0203
November 2022	13,349.42	1.0450
October 2022	13,113.95	1.0638
September 2022	12,713.12	1.0973
August 2022	12,286.26	1.1354
July 2022	10,932.83	1.2760
June 2022	8,707.35	1.6021
May 2022	6,662.17	2.0939
April 2022	5,507.11	2.5331
March 2022	4,766.10	2.9269

Month	All Items CPI Indices	Conversion Factors
March 2022	4,766.10	2.9269
February 2022	4,483.06	3.1117
January 2022	4,189.97	3.3294
December 2021	3,977.46	3.5073
November 2021	3,760.86	3.7093
October 2021	3,555.90	3.9231
September 2021	3,342.02	4.1741
August 2021	3,191.19	4.3714
July 2021	3,062.93	4.5545
June 2021	2,986.44	4.6711
May 2021	2,874.85	4.8524
April 2021	2,803.57	4.9758
March 2021	2,759.83	5.0547

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

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.1 BASIS OF PREPARATION (CONTINUED)

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

Revenue, operating expenses and exchange gains or losses
The historical line items were segregated into monthly totals and then the applicable monthly conversion factor was applied.

Other income
Other income was segregated into the respective month in which it was accrued and then the applicable monthly conversion factor was applied.

Income tax expense
Income tax was segregated into the respective quarters and the applicable quarterly conversion factor was applied.

Gains of revaluation of property, plant, and equipment
The fair value measurements were determined at year end. These were calculated as the balancing figure between the hyperinflation adjusted opening balances and the closing balances.

Property, plant and equipment
Property, plant and equipment was restated at the 31 March 2022 conversion rate. Movements of additions and disposals were recalculated based on the date of the transactions. The difference between the hyper-inflated carrying amount and the closing fair value amount was accounted for as a revaluation gain through other comprehensive income.

Investment properties
Investment property was restated at the 31 March 2022 conversion rate. Movements of additions and disposals were recalculated based on the date of the transactions. The difference between the hyper-inflated carrying amount and the closing fair value amount was accounted for as a revaluation gain through other comprehensive income.

Investment in associate
Investment in associate represents a foreign investment in Botswana whose balance was not hyper-inflated but instead restated at the closing exchange rate between the ZWL and the Botswana Pula ("BWP").

Deferred tax liability
The closing balance was calculated based on the inflation adjusted balances of applicable assets and liabilities and the historical tax bases.

Inventory
Inventories were inflation adjusted based on the applicable adjustment factor. The balance was aged from year end to approximate date of acquisition.

Trade receivables
The amounts are a monetary asset and hence were not inflation adjusted as at 31 March 2023. Comparatives were restated at the adjustment factor as at 31 March 2022.

Prepayments
The amounts are a non-monetary asset and the balance was inflation adjusted using the applicable adjustment factor on the date of payment. The resulting differences were accounted for as part of monetary gain in profit or loss.

Cash and bank
The amounts are a monetary asset and hence were not inflation adjusted as at 31 March 2023. Comparatives were restated at the adjustment factor as at 31 March 2022.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.1 BASIS OF PREPARATION (CONTINUED)

Trade payables
The amounts are a monetary liability and hence were not inflation adjusted as at 31 March 2023. Comparatives were restated at the adjustment factor as at 31 March 2022.

Provisions
Non-monetary provisions were hyper-inflated using the applicable monthly adjustment factors. The resulting differences were accounted for as part of the net monetary gain in profit or loss. Monetary provisions were not inflation adjusted as at 31 March 2023.

Loans and borrowings
The amounts constitute monetary liabilities and thus were not inflation adjusted as at 31 March 2023. Comparatives were restated at the adjustment factor as at 31 March 2022.

Revaluation reserve
The opening revaluation reserve on the date of implementing IAS 29 was eliminated against equity. The balance since then corresponded to recalculated gains on revaluation from hyperinflation adjusted property, plant and equipment movements.

Other reserves
The opening reserves was eliminated on the date of implementing IAS 29 against retained earnings. Movements from that date were recalculated using the adjustment factor at the date of the related movement.

Issued capital
The opening balance was restated using the adjustment factor as at 31 March 2022. Movements from that date were recalculated using the adjustment factor at the date of the related movement.

Statement of cash flow
The amounts were segregated into the respective months in which the cash flows occurred, and the applicable monthly factor used to hyper-inflate the amount. Gains or losses on cash flows were included in non-cash items.

Gain or loss on net monetary position
Gains and losses arising from net monetary position are included in the statement of profit or loss.

The historical cost information has been shown as supplementary information for the benefit of the user. These are not required in terms of IAS 29. As a result, the independent auditors have not expressed an opinion on the historical cost information.

2.2 BASIS OF CONSOLIDATION

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2023.

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

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

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

Generally, there is a presumption that a majority of voting rights results in control. When the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

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

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

Profit or loss and each component of other comprehensive income ("OCI") are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets, liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

Derecognises the assets (including goodwill) and liabilities of the subsidiary.
Derecognises the carrying amount of any non-controlling interests.
Derecognises the cumulative translation differences recorded in equity.
Recognises the fair value of the consideration received.
Recognises the fair value of any investment retained.
Recognises any surplus or deficit in profit or loss.
Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.3 Changes in significant accounting policies and disclosures

(a) International Financial Reporting Standards and amendments effective for the first time for March 2022 year-ends

Number	Effective date	Executive summary
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	These amendments include minor changes to: • IFRS 1, 'First time adoption of IFRS' has been amended for a subsidiary that becomes a first-time adopter after its parent. The subsidiary may elect to measure cumulative translation differences for foreign operations using the amounts reported by the parent at the date of the parent's transition to IFRS. • IFRS 9, 'Financial Instruments' has been amended to include only those costs or fees paid between the borrower and the lender in the calculation of "the 10% test" for derecognition of a financial liability. Fees paid to third parties are excluded from this calculation. • IFRS 16, 'Leases', amendment to the Illustrative Example 13 that accompanies IFRS 16 to remove the illustration of payments from the lessor relating to leasehold improvements. The amendment intends to remove any potential confusion about the treatment of lease incentives. • IAS 41, 'Agriculture' has been amended to align the requirements for measuring fair value with those of IFRS 13. The amendment removes the requirement for entities to exclude cash flows for taxation when measuring fair value.
Amendments to IAS 37 Onerous Contracts-Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.
Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment to IAS 16 prohibits an entity from deducting from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly). The proceeds from selling such items, together with the costs of producing them, are recognised in profit or loss.
Amendments to IAS 37 Onerous Contracts-Cost of Fulfilling a Contract	Annual periods beginning on or after 1 January 2022 (Published May 2020)	The amendment clarifies which costs an entity includes in assessing whether a contract will be loss-making. This assessment is made by considering unavoidable costs, which are the lower of the net cost of exiting the contract and the costs to fulfil the contract. The amendment clarifies the meaning of 'costs to fulfil a contract'. Under the amendment, costs to fulfil a contract include incremental costs and the allocation of other costs that relate directly to fulfilling the contract.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Changes in significant accounting policies and disclosures (continued)

(b) International Financial Reporting Standards, interpretations and amendments issued but not effective.

Number	Effective date	Executive summary
IFRS 17, 'Insurance contracts'	Annual periods beginning on or after 1 January 2023 Early application is permitted for entities that apply IFRS 9, 'Financial Instruments', and IFRS 15, 'Revenue from Contracts with Customers', at or before the date of initial application of IFRS 17. (Published May 2017)	The IASB issued IFRS 17, 'Insurance contracts', and thereby started a new epoch of accounting for insurers. Whereas the current standard, IFRS 4, allows insurers to use their local GAAP, IFRS 17 defines clear and consistent rules that will significantly increase the comparability of financial statements. For insurers, the transition to IFRS 17 will have an impact on financial statements and on key performance indicators. Under IFRS 17, the general model requires entities to measure an insurance contract at initial recognition at the total of the fulfilment cash flows (comprising the estimated future cash flows, an adjustment to reflect the time value of money and an explicit risk adjustment for non-financial risk) and the contractual service margin. The fulfilment cash flows are remeasured on a current basis each reporting period. The unearned profit (contractual service margin) is recognised over the coverage period. Aside from this general model, the standard provides, as a simplification, the premium allocation approach. This simplified approach is applicable for certain types of contract, including those with a coverage period of one year or less. For insurance contracts with direct participation features, the variable fee approach applies. The variable fee approach is a variation on the general model. When applying the variable fee approach, the entity's share of the fair value changes of the underlying items is included in the contractual service margin. As a consequence, the fair value changes are not recognised in profit or loss in the period in which they occur but over the remaining life of the contract.
IFRS 17, Insurance contracts Amendments	Annual periods beginning on or after 1 January 2023 (Published June 2020)	In response to some of the concerns and challenges raised, the Board developed targeted amendments and a number of proposed clarifications intended to ease implementation of IFRS 17, simplify some requirements of the standard and ease transition. The amendments relate to eight areas of IFRS 17, and they are not intended to change the fundamental principles of the standard or unduly disrupt implementation already underway.
Amendment to IAS 1, 'Presentation of Financial Statements' on Classification of Liabilities as Current or Non-current	Annual periods beginning on or after 1 January 2023 (Published Jan 2020)	The amendment clarifies that liabilities are classified as either current or non-current, depending on the rights that exist at the end of the reporting period. A number of requirements are required to be met in conjunction with this amendment.
Amendments to IAS 12, Income Taxes: Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021)	The amendments require companies to recognise deferred tax on transactions that, on initial recognition give rise to equal amounts of taxable and deductible temporary differences.
Narrow Scope Amendments to IAS 1 'Presentation of Financial Statements', Practice Statement 2 and IAS 8 'Accounting Policies, Changes in Accounting Estimates and Errors'	Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published February 2021)	The amendments aim to improve accounting policy disclosures and to help users of the financial statements to distinguish changes in accounting policies from changes in accounting estimates.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions.

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

In the process of applying the Group's accounting policies, management has determined the following estimates and made the following assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

Estimates and assumptions

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

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

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. Refer to Note 9 and accounting policy note for more information on property, plant and equipment.

ii. Revaluation of property and fair value of investment property

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures property, plant and equipment at revalued amounts with changes in fair value being recognised in other comprehensive income.

Valuations rely on historical market evidence for calculation inputs. This includes transaction prices for comparable properties, rents and capitalisation rates. The enactment of SI 142 of June 2019 introduced the ZWL as the sole legal tender for all transactions in Zimbabwe exacerbated the price distortions of assets in the market. In as much as all assets have to be priced in the ZWL, generally the market has been quoting prices for sales and rentals in the US$. Direct conversions of US$ quoted prices to ZWL is subject to estimation uncertainty due to the highly volatile exchange rates.

The Group engaged independent valuation specialists, Dawn Properties, to determine fair values of properties held by the Group as at 31 March 2023. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. The key assumptions in coming up with fair values are future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate.

iii. Allowance for expected credit losses ("ECL")

The Group uses a provision matrix to calculate ECLs on trade receivables and other receivables. The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating.

The provision matrix is initially based on the Group's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation, gross domestic product) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions.

iii. Allowance for expected credit losses ("ECL")

The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer actual default in the future. The information about the ECLs on the Group's trade receivables and the carrying amount of receivables is disclosed in Note 22.

iv) Impairment of non-financial assets

The Group assesses each asset or cash generating unit ("CGU") at each reporting period to determine whether any indication of impairment exists. An impairment loss exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a discounted cash flow model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Group is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the discounted cash flow model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. The Group engaged an independent valuer in order to determine the fair value of its property, plant and equipment. The same was used in the assessment for impairment of the assets.

v) Taxes

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

vi) Variable returns

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates. The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group. The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold.

The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 March 2023 there were no amounts recognised as either refund liabilities for the expected returns or volume rebates as the accumulated purchases to date for the eligible customers were not significant there by making the resultant estimates for rebates and returns immaterial.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions.

vii) Investment property without title deeds

Ten (10) properties have no title deeds. Of these, three (3) are held under lease with rural district councils, six (6) had been previously under dispute with a non-controlling shareholder of a subsidiary Company. On 28 December 2020, a deed of settlement was signed between the parties wherein it was agreed that Starafrica Corporation Limited would make a payment of US$1,850,000 to the non-controlling shareholder, after which title deeds would then be passed on to the Company. The amount was settled and the transfer of ownership is in progress.

Management assessed whether these properties were in the control of the Company to warrant their recognition as assets of the Company in its books. Management determined that, while the legal title has not yet passed to the Company pending completion of outstanding administrative tasks to give effect to the transfer, the Company is exposed to the risks and rewards associated with these assets. Further, the Company has the power to direct the operations of the properties and determine how best the properties can be used as the Company sees fit from time to time. There are no encumbrances on these properties due to debt or loan commitments. All future benefits associated with these assets are expected to accrue to the Company. Management has, therefore, determined that these are assets within the control of the Company and, consequently, have been recognised as the Company's investment property in the statement of financial position as at 31 March 2023."

2.5 Summary of significant accounting policies

a) Foreign currency translations

The Group's consolidated financial statements are presented in Zimbabwe dollars (ZWL), which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

ii) Group companies

The assets and liabilities of foreign operations are translated to ZWL at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

b) Revenue from contracts with customers

Accounting policy

The Group recognised revenue primarily from the sale of granulated sugar and sugar specialties. Sugar specialties are products made from sugar which comprises icing sugar, castor sugar, syrups and caramel. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (i.e. its transaction price). The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is seven days upon delivery.

Delivery of the goods is a performance obligation that takes place at a point in time. The Group recognises that delivery has occurred when control of the goods has passed on to the customer in the following manner,

Sale of goods to collecting customers

Revenue is recognised when the Group has loaded the goods on the vehicle designated by the customer as the shipper with express acknowledgement of taking over the consignment having been received from the customer. In this instance, the performance obligation of the Group is limited to the transfer of possession of the goods at Group's premises through loading of the customer's vehicle/carriage.

Sales of goods to customers with delivery

Revenue is recognised when the Group has satisfied two performance obligations being (a) delivery of the goods to the customer's premises at the Group's own cost and (b) transfer of control of the goods through handing over of the goods to customer with the express acknowledgment from customer that they have taken possession and control of the goods. Management has assessed that the service provided to the customer of delivery is significantly integrated to the performance obligation of selling the good as the two are performed pursuant to a single commercial objective. Consequently, management accounts for the sale of sugar and specialties and their delivery as one performance obligation with no need to split the transaction price.

Variable consideration

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

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

b) Revenue from contracts with customers

- **Rights of return**

  Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer. Management estimates the possible extent of returns (as a percentage of total volumes sold) using the expected value method as determined through analysis of history of returns for specific customers with an established trade pattern from which the Group draws its estimates, and then raises an allowance for such returns. At each reporting date, the Group assesses the sufficiency of the allowance for returns previously made and makes the necessary accounting adjustments.

  For goods that are expected to be returned, the Group recognises a contract liability processed against revenue. It is the Group's policy to recognise 0.26% of the qualifying revenue as a contract liability arising from customers' rights of return. At the end of each financial year, the Group assesses the appropriateness of the allowance and makes the necessary adjustments after comparing the actual value of returned goods over a specified period of time against the allowance that would have been created. In applying this policy, management computed a value of ZWL10,267,078 (2021 : ZWL40,157) as the potential contract liability arising from customers' rights of return. The amounts were considered too trivial to raise as contract liabilities in the financial statements.

- **Volume rebates**

  The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contracts. Rebates are only included as part of revenue if, and to the extent that, it is highly probable that their inclusion will not result in a significant revenue reversal in the future as a result of a re-estimation. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

c) Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

d) Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

e) Rental income

Rental income arising from operating leases on investment property is recognised monthly based on the lease terms which are generally on short term and subject to review after every twelve months. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when they arise.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

f) Cost of Sales

Cost of sales is normally the carrying value of inventories sold and any net realisable value adjustments. The amount also includes depreciation of plant and wages of factory employees. The Group also recognises costs related to rental of properties such as management fees in its cost of sales.

g) Taxes

Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and

- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

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

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

- In respect of deductible temporary differences associated with investments in subsidiaries associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

  The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

g) Taxes

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

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

Value Added Tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of VAT except:

- Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.

- Receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

h) Pensions and other post-employment benefits

Retirement benefits are provided for eligible employees through an independently administered defined contribution fund, including the National Social Security Authority ("NSSA"). Contributions to these funds are recognised as an expense in the period to which employees' services relate. All eligible employees are required to be members of a Starafrica Group contributory pension scheme administered by an employee benefit consultancy company.

i) Financial assets

Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI")' on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

Subsequent measurement
For purposes of subsequent measurement, financial assets are classified in the following category:

- **Financial assets at amortised cost (debt instruments)**
  This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
  and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

  Financial assets at amortised cost are subsequently measured using the effective interest method to less allowance for expected credit losses. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

  The Group's financial assets at amortised cost include trade receivables, cash and cash equivalents and loans to related parties.

  Further disclosures relating to impairment of financial assets are also provided under Trade receivables, Note 13.

Impairment of financial assets
The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Group has established a provision matrix that is based on its historical credit losses experience, adjusted for forward-looking information.

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

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired
  or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  a) the Group has transferred substantially all the risks and rewards of the asset, or
  (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

j) Financial liabilities

Initial recognition and measurement
Financial liabilities are recognised initially at fair value, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

Subsequent measurement
After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.

De-recognition of financial liabilities
A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

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

k) Property, plant and equipment

Land and buildings are measured at fair value less accumulated depreciation and impairment losses charged subsequent to the date of revaluation and the rest of property, plant and equipment is carried at historical cost less accumulated depreciation and impairment. Any revaluation surplus is recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity, that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. At the date of revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

k) Property, plant and equipment

Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:

Plant and machinery	5% - 15% straight line
Motor vehicles	10% - 30% straight line
Furniture and equipment	10% - 33.3% straight line
Buildings	2% straight line

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and prospectively adjusted, if appropriate.

l) Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

Group as a lessor

The Group has contractual arrangements which do not substantially transfer all the risks and rewards of ownership to third parties utilising those assets. Rental income arising from those arrangements is accounted for on a straight-line basis over the term of the arrangement and is included in profit or loss. Contingent rents are recognised as revenue in the period in which they are earned.

The Group did not award any rent concessions attributable to the effects of COVID-19 during prior year nor in the 2023 financial year. Lease receivables have also been included in the allowance for expected credit Losses as it appears on the face of the statement of profit and loss and other comprehensive income. There was no voluntary forgiveness of any lease receivables whether due to COVID-19 induced impact or other matters. Also straight lining of the lease income did not apply as none of lease agreements with lessees contain rent escalation clauses. Lease receivables were scoped into the expected credit loss model with an allowance quantified and recognised in the financial statements.

The Group leases residential and industrial properties all around the country for lease periods not exceeding 12 months which are renewable only with the express agreement of the Group as the lessor. The Group retains the ownership rights over the properties by not putting any clauses in the contract which, explicitly or implicitly, cede the rights over the properties to the lessees. The contracts are kept as short-term without any automatic renewal clauses in the agreements.

Group as a lessee

The Group is a lessee in contracts for use of pallets and mobile equipment. However, the contracts are of a short term nature and as such the Group has elected to apply the exemptions under paragraphs 5 and 6 of IFRS 16 that allow it to recognise the lease payments on a straight-line basis.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

m) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. During the current year there were no borrowing costs that were capitalised to qualifying assets.

n) Inventories

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

- Raw materials: weighted average method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- Consumables: weighted average method

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

o) Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents less bank overdrafts. Cash falls into the debt instruments category and are accounted for at amortised cost.

p) Investments in associates and subsidiaries

(p) (i) Investment in an associate

The financial results of the Group's associate are included in the Group's results according to the equity method from acquisition date until the disposal date. Under this method, subsequent to the acquisition date, the Group's share of profits or losses of associate is charged to profit or loss as equity accounted earnings and its share of movements in other comprehensive income and equity is recognised in other comprehensive income or equity. All cumulative post-acquisition movements in the equity of associates are adjusted against the cost of the investment. When the Group's share of losses in associates equals or exceeds its interest in those associates, the Group does not recognise further losses, unless the Group has incurred a legal or constructive obligation or made payments on behalf of those associates. Goodwill relating to associate is included in the carrying value of the associate and is not amortised or separately tested for impairment.

The total carrying value of associate, including goodwill, is tested for impairment when there is objective evidence that the investment in the associate is impaired. If impaired, the carrying value of the Group's share of the underlying assets of the associate is written down to its estimated recoverable amount in accordance with the accounting policy on impairment and charged to profit or loss. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

The associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. In the Company financial statements, the investment in associate is accounted for at cost.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.5 Summary of significant accounting policies

(p) (ii) Investment in subsidiary

The subsidiary's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. In the Company's financial statements, the investment in subsidiary is accounted for at cost.

q) Investment property

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

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

Investment properties are derecognised when either they have been disposed of (i.e. at the date the recipient obtains control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

r) Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 2.4
- Property, plant and equipment Note 9

s) Other income

Other income in the statement of profit and loss and other comprehensive income represents income derived from activities unrelated to the main focus of Starafrica Corporation Limited. This includes profit from disposal of property, plant and equipment, scrap, loan write-downs, weighbridge income and insurance claims.

2.6 Standards and Interpretations in issue but not yet effective

Standards issued but not yet effective up to the date of issuance of the consolidated financial statements are listed below. This listing is of standards and interpretations issued, which the Group reasonably expects to be applicable at a future date. The Group intends to adopt these standards, if applicable, when they become effective. The Group expects that adoption of these standards, amendments and interpretations in most cases not to have any significant impact on the Group's financial position or performance in the period of initial application, but additional disclosures will be required. In cases where it will have an impact the Group is still assessing the possible impact.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.6 Standards and Interpretations in issue but not yet effective

Reference to the Conceptual Framework – Amendments to IFRS 3

In May 2020, the IASB issued Amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace a reference to the Framework for the Preparation and Presentation of Financial; Statements, issued in 1989, with a reference to the Conceptual Framework for Financial Reporting issued in March 2018 without significantly changing its requirements. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022 and apply prospectively. The amendments are not expected to have a material impact on the financial statements of the Group.

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

In May 2020, the IASB issued Property, Plant and Equipment — Proceeds before Intended Use, which prohibits entities deducting from the cost of an item of property, plant and equipment, any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognises the proceeds from selling such items, and the costs of producing those items, in profit or loss.

The amendment is effective for annual reporting periods beginning on or after 1 January 2022 and must be applied retrospectively to items of property, plant and equipment made available for use on or after the beginning of the earliest period presented when the entity first applies the amendment. The Group is currently assessing the impact the amendments will have on its financial statements.

Onerous Contracts – Costs of Fulfilling a Contract – Amendments to IAS 37

In May 2020, the IASB issued amendments to IAS 37 to specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

The amendments are effective for annual reporting periods beginning on or after 1 January 2022. The Group will apply these amendments to contracts for which it has not yet fulfilled all its obligations at the beginning of the annual reporting period in which it first applies the amendments. The Group is currently assessing the impact the amendments will have on its financial statements.

IFRS 1 First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter

As part of its 2018-2020 annual improvements to IFRS standards process, the IASB issued an amendment to IFRS 1 First-time Adoption of International Financial Reporting Standards. The amendment permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by the parent, based on the parent's date of transition to IFRS. This amendment is also applied to an associate or joint venture that elects to apply paragraph D16(a) of IFRS 1. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The amendments are not expected to have any impact on the Group.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

2.2 BASIS OF CONSOLIDATION (CONTINUED)

2.6 Standards and Interpretations in issue but not yet effective

IFRS 9 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities

As part of its 2018-2020 annual improvements to IFRS standards process the IASB issued amendment to IFRS 9 Financial Instruments. The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity applies the amendment to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendment is effective for annual reporting periods beginning on or after 1 January 2022 with earlier adoption permitted. The Group will apply the amendments to financial liabilities that are modified or exchanged on or after the beginning of the annual reporting period in which the entity first applies the amendment. The amendments are not expected to have a material impact on the financial statements of the Group.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

3 SHARE CAPITAL AND SHARE PREMIUM

3.1 Share Capital

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Issued and fully paid share capital (4 808 662 335 ordinary shares of ZWL0.0001)	64 265 555	64 265 555	480 866	480 866
Unissued share capital	8 936 199	8 936 199	519 134	519 134

The unissued share capital is under the control of Directors and is subject to the limitations of the Companies and Other Business Entities (Chapter 24:31) and the Zimbabwe Stock Exchange regulations.

4 TOTAL REVENUE

Set out below is the disaggregation of the Group's revenue:

4.1 Revenue from contracts with customers

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
Food Segment	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Revenue Type				
Purified sugar	45 249 143 014	35 265 056 122	38 277 949 525	9 309 885 451
Sugar specialties	4 550 488 319	3 102 340 171	3 892 131 269	826 859 746
Total revenue	**49 799 631 333**	**38 367 396 293**	**42 170 080 794**	**10 136 745 197**
Geographical markets				
Zimbabwe	49 799 631 333	38 321 016 495	42 170 080 794	10 120 899 260
South Africa	-	46 379 798	-	15 845 937
Total revenue	**49 799 631 333**	**38 367 396 293**	**42 170 080 794**	**10 136 745 197**
Timing of revenue recognition				
Goods transferred at a point in time	49 799 631 333	38 367 396 293	42 170 080 794	10 136 745 197
Total revenue	**49 799 631 333**	**38 367 396 293**	**42 170 080 794**	**10 136 745 197**

During the financial year ended 31 March 2023 no exports were made due to the focus of the business on satisfying local demand which first which continues to grow.

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 19)

Year ended 31 March				
Revenue				
External customers	49 799 631 333	38 367 396 293	42 170 080 794	10 136 745 197
Inter-segment	3 233 117 677	2 205 961 398	2 702 361 796	593 221 586
	53 032 749 009	40 573 357 691	44 872 442 590	10 729 966 783
Inter-segment adjustments and eliminations	(3 233 117 677)	(2 205 961 398)	(2 702 361 796)	(593 221 586)
Total revenue	**49 799 631 333**	**38 367 396 293**	**42 170 080 794**	**10 136 745 197**

Revenue recognised in 2023 financial year ended 31 March 2023 which was subject to right of return amounted to ZWL49,799,631,333 (2022 : ZWL42 170 080 794). Subsequent to year end, goods with a transaction value of ZWL1,377,734 were returned.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

4 TOTAL REVENUE

Set out below is the disaggregation of the Group's revenue:

4.2 Revenue from rental income

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
Properties Segment	**2023 ZWL$**	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**
Revenue Type				
Rental income	337 536 723	162 249 670	297 056 510	44 203 429
Total revenue	**337 536 723**	**162 249 670**	**297 056 510**	**44 203 429**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 19)

Year ended 31 March				
Revenue				
External customers	337 536 723	162 249 670	297 056 510	44 203 429
Inter-segment	189 887	575 118	143 460	143 460
	337 726 610	162 824 788	297 199 970	44 346 889
Inter-segment adjustments and eliminations	(189 887)	(575 118)	(143 460)	(143 460)
Total revenue	**337 536 723**	**162 249 670**	**297 056 510**	**44 203 429**

4.3 Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers for sale of goods, see note 18:

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**
Obligation to transfer goods for advance consideration received from customers	1 337 182 650	730 372 168	1 331 251 404	249 536 044

Contract liabilities for sale of goods contracts have increased from ZWL730 372 168 in 2022 to ZWL1 337 182 650 during the year ended 31 March 2023. The increase was due to the negotiation of larger prepayments and an increase in overall contract activity.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

5 NON-DISTRIBUTABLE RESERVES

INFLATION ADJUSTED (AUDITED)	GROUP				
	Foreign currency translation reserve ZWL$	**Foreign currency conversion reserve ZWL$**	**Asset revaluation ZWL$**	**Functional Currency ZWL$**	**Total ZWL$**
Balance as at 1 April 2021	**789 798 529**	**-**	**-**	**-**	**789 798 529**
Revaluation of land and bulidings	-	-	886 737 681	-	886 737 681
Deferred tax on revaluation of property and plant	-	-	(219 201 554)	-	(219 201 554)
Foreign currency translation reserve	223 367 608	-	-	-	223 367 608
Balance as at 1 April 2022	**1 013 166 137**	**-**	**667 536 127**	**-**	**1 680 702 264**
Revaluation of property and plant	-	-	3 246 581 705	-	3 246 581 705
Deferred tax on revaluation of land and buildings	-	-	(470 838 012)	-	(470 838 012)
Foreign currency translation reserve	1 118 835 311	-	-	-	1 118 835 311
Balance as at 31 March 2023	**2 132 001 448**	**-**	**3 443 279 820**	**-**	**5 575 281 268**

HISTORICAL (UNAUDITED)	GROUP				
Balance as at 1 April 2021	**201 928 512**	**(8 775 320)**	**550 202 880**	**18 282 480**	**761 638 552**
Revaluation of land and buildings	-	-	708 891 678	-	708 891 678
Income tax relating to components of other comprehensive income	-	-	(174 744 788)	-	(174 744 788)
Foreign currency translation reserve	76 314 887	-	-	-	76 314 887
Reclassification of foreign currency reserves	-	8 775 320		(18 282 480)	(9 507 160)
Balance as at 1 April 2022	**278 243 399**	**-**	**1 084 349 770**	**-**	**1 362 593 169**
Revaluation of land and buildings	-	-	5 826 600 732	-	5 826 600 732
Income tax relating to components of other comprehensive income	-	-	(964 212 727)	-	(964 212 727)
Foreign currency translation reserve	1 118 835 311	-	-	-	1 118 835 311
Balance as at 31 March 2023	**1 397 078 710**	**-**	**5 946 737 775**	**-**	**7 343 816 485**

	COMPANY				
Balance as at 1 April 2021	**-**	**28 945 097**	**-**	**276 312**	**29 221 409**
Reclassification of foreign currency reserves	**-**	**(28 945 097)**		**(276 312)**	**(29 221 409)**
Balance as at 1 April 2022	**-**	**-**	**-**	**-**	**-**
Balance as at 31 March 2023	**-**	**-**	**-**	**-**	**-**

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

5 NON-DISTRIBUTABLE RESERVES (CONTINUED)

Nature and purpose of reserve

Foreign currency translation reserve

The foreign currency translation reserve is used to record exchange differences arising on translation of the financial statements of foreign operations.

Foreign currency conversion reserve

This arose as a result of change in functional currency from the Zimbabwe dollar ("ZWD") to the United States of America dollar in February 2009. It represents the residual equity in existence as at the date of the changeover and has been designated as non-distributable reserve.

Asset revaluation reserve

The asset revaluation reserve is used to record increases in the fair value of land and buildings and decreases to the extent that such decreases relate to an increase on the same asset previously recognised in equity. A revaluation was carried out as at 31 March 2023 (refer to note 9).

Functional currency reserve

This arose as a result of change in functional currency from the United States of America dollar to the Real Time Gross Settlement dollar later in February 2019. It represents the residual equity in existence as at the date of the changeover and has been designated as non-distributable reserve.

6 (LOSS)/PROFIT BEFORE INCOME TAX

(Loss)/profit before income tax is stated after charging/(crediting) the following items:

		INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
	Notes	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
6.1 Cost of sales									
Direct employment costs		1 596 534 624	1 086 305 822	-	-	1 293 859 609	285 321 501	-	-
Basic wages and salaries		1 596 534 624	915 315 019	-	-	1 293 859 609	240 410 251	-	-
Allowances		-	69 821 496	-	-	-	18 338 827	-	-
Staff welfare		-	35 343 090	-	-	-	9 282 969	-	-
Other staff costs		-	65 826 217	-	-	-	17 289 454	-	-
Production chemicals		317 058 608	455 524 703	-	-	250 880 772	120 825 746	-	-
Fuel, oils and sundries		88 976 866	49 107 150	-	-	79 468 073	13 025 436	-	-
Raw sugar and cartage		32 484 588 997	22 826 917 199	-	-	28 013 444 965	6 066 028 601	-	-
Raw materials price variance provision		-	185 688 438	-	-	-	40 770 752	-	-
Packaging		876 984 351	857 129 341	-	-	757 261 540	227 349 453	-	-
Other overheads		320 603 760	23 569 711	-	-	284 874 408	6 251 753	-	-
Coal / steam		2 371 899 000	1 239 353 951	-	-	2 062 932 707	328 732 700	-	-
Plant repairs and maintenance		2 794 142 157	2 537 791 438	-	-	2 092 079 038	673 137 025	-	-
Electricity and water		1 291 840 835	662 516 935	-	-	1 084 636 481	175 729 444	-	-
Total cost of sales		**42 142 629 198**	**29 923 904 688**	**-**	**-**	**35 919 437 593**	**7 937 172 411**	**-**	**-**
6.2 Other income		(581 558 070)	(124 796 509)	-	-	(54 439 124)	(32 655 249)	-	18 599 454
Profit from disposal of property, plant and equipment		(158 557 533)	(366 664)	-		(354 122 942)	(233 770)	-	-
Other sundry income*		(423 000 537)	(124 429 845)	-	-	(196 000 255)	(32 421 479)	-	-
Reversal of impairment on investment in Starafrica operations				-	54 439 124			-	18 599 454

* Other sundry income comprises of profit on disposal of scrap sales and weighbridge income

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

6 PROFIT BEFORE INCOME TAX (CONTINUED)

(Loss)/profit before income tax is stated after charging/(crediting) the following items:

		INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
	Notes	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
6.3 Dividends received disclosed as investment income	11.1	-	-	(322 754 111)	(442 294 784)	-	-	(303 969 915)	(104 129 293)
6.4 Selling and distribution expenses		1 710 856 758	528 424 139	-	-	1 597 050 395	145 244 401	-	-
Merchandising		220 655 315	104 590 167	-	-	195 295 871	27 470 923	-	-
Advertising		89 314 316	66 684 892	-	-	79 999 063	18 329 229	-	-
Quantity and settlement discounts		1 340 944 487	189 440 719	-	-	1 256 027 621	52 070 301	-	-
Distribution		59 942 640	167 708 361	-	-	65 727 840	47 373 948	-	-
6.5 Administrative expenses comprise of:									
Indirect employment costs	6.7	3 451 339 988	2 392 313 584	-	-	2 894 519 040	670 020 991	-	-
Directors' emoluments:	6.8	363 282 593	189 103 834	-	-	315 415 587	50 296 267	-	-
Other overheads	6.9	2 952 058 653	1 590 077 063	159 032	-	2 677 067 866	456 086 583	150 368	-
Depreciation	9	287 916 898	275 323 994	-	250 266	61 628 446	20 490 333	-	62 340
		7 054 598 132	**4 446 818 475**	**159 032**	**250 266**	**5 948 614 486**	**1 196 894 174**	**150 368**	**62 340**
6.6 Impairment losses on scrapped office furniture		-	2 877 599	-	-	-	21 532	-	-
Fair value adjustment on investment property		(2 594 756 918)	(1 131 665 088)	-	-	(4 740 460 000)	(737 220 000)	-	-
Allowance for credit losses	14.1	107 090 825	31 807 919	-	11 716 284	149 328 105	15 519 739	-	4 002 939
6.7 Indirect employment costs		3 451 339 988	2 392 313 584	-	-	2 894 519 040	670 020 991	-	-
Basic wages and salaries		524 103 930	246 688 361	-	-	389 530 372	64 793 442	-	-
Allowances		94 479 498	456 101 514	-	-	86 531 263	119 796 439	-	-
Bonuses		87 318 412	646 860 132	-	-	52 532 963	215 530 931	-	-
Social security and health insurance costs		285 800 901	80 794 810	-	-	252 893 407	21 221 001	-	-
Defined contribution plan		134 733 827	24 956 546	-	-	122 228 878	6 554 912	-	-
Movement in leave pay provision		381 353 067	209 874 558	-	-	319 063 811	71 704 905	-	-
Gratuity		95 503 407	62 130 987	-	-	83 454 428	19 966 806	-	-
Staff welfare		909 955 865	473 975 566	-	-	800 400 690	124 491 112	-	-
Other staff costs		938 091 081	190 931 110	-	-	787 866 775	25 961 443	-	-
6.8 Directors' emoluments:		363 282 593	189 103 835	-	-	315 415 587	50 296 268	-	-
Fees		50 588 282	48 792 304	-	-	38 808 500	13 047 239	-	-
Pension		261 384	93 994	-	-	206 172	24 860	-	-
Salaries and other benefits		312 432 927	140 217 536	-	-	276 400 915	37 224 169	-	-

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

6 (LOSS)/PROFIT BEFORE INCOME TAX (CONTINUED)

Profit/(loss) before income tax is stated after charging/(crediting) the following items:

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
6.9 Other overheads	2 952 058 653	1 590 077 063	159 032	250 266	2 677 067 866	456 086 583	150 368	62 340
Intermediated Money Transfer Tax ("IMTT")	453 093 266	214 195 976	-	-	381 101 408	61 438 476	-	-
Auditors' remuneration	160 211 247	77 270 702	-	-	146 862 950	26 400 000	-	-
Information, Communication and Technology expenses	108 491 233	86 895 962	-	-	95 531 037	24 924 630	-	-
Office costs	98 613 012	9 161 046	-	-	88 519 377	2 627 690	-	-
Professional fees and subscriptions	1 198 228 632	536 564 643	-	-	1 047 823 559	149 668 237	-	-
Buildings and Furniture - Repairs and maintenance	189 504 013	143 395 306	-	-	147 132 270	41 130 507	-	-
Insurance and licenses	47 959 765	21 557 437	-	-	42 145 178	6 183 384	-	-
Vehicles expenses	21 232 045	33 815 282	-	-	17 858 124	9 699 339	-	-
Bank charges	181 871 354	37 325 360	159 032	250 266	170 297 830	10 706 145	150 368	62 340
Communication expenses	24 694 030	10 125 009	-	-	19 910 587	2 904 187	-	-
Security costs	178 054 314	88 453 330	-	-	152 824 701	25 371 334	-	-
Safety, health and environmental costs	124 947 123	263 860 995	-	-	212 552 838	75 684 042	-	-
Utilities, rent and rates	136 131 027	66 499 129	-	-	127 946 965	19 074 145	-	-
Staff welfare	29 027 592	956 886	-	-	26 561 042	274 467	-	-
7 INCOME TAX								
7.1 Income tax								
Current income tax charge	81 323 527	835 595 964	-	-	81 323 527	285 486 386	-	-
Tax on foreign dividends	73 652 494	87 177 378	73 652 494	87 177 378	69 895 655	20 825 858	69 895 655	20 825 858
Deferred tax charge/(credit)	(169 049 572)	(124 815 870)	(14 998 716)	(117 656 903)	8 563 451	(2 142 071)	(4 607 121)	(21 006 865)
	(14 073 551)	**797 957 472**	**58 653 778**	**(30 479 525)**	**159 782 633**	**304 170 173**	**65 288 534**	**(181 007)**
7.2 Income tax reconciliation								
Opening balance at 1 April	567 253 007	90 395 032	90 421 536	86 984 664	193 805 402	17 883 536	30 893 062	17 208 837
Current tax charge	81 323 527	835 595 964	-	-	81 323 527	285 486 386	-	-
Tax on foreign dividends charge	73 652 494	87 177 378	73 652 494	87 177 378	69 895 655	20 825 858	69 895 655	20 825 858
Monetary gain	(347 477 690)	25 156 101	(28 028 150)	(55 529 534)	-	-	-	-
Tax paid	(204 220 597)	(471 071 466)	(61 321 272)	(28 210 972)	(174 493 843)	(130 390 378)	(26 064 109)	(5 669 645)
Closing balance at 31 March	**170 530 741**	**567 253 009**	**74 724 608**	**90 421 536**	**170 530 741**	**193 805 402**	**74 724 608**	**30 893 062**
7.3 Reconciliation of rate of tax	**%**	**%**	**%**	**%**	**%**	**%**	**%**	%
Standard rate	24.72	24.72	24.72	(24.72)	24.72	24.72	24.72	24.72
Adjusted for:								
Foreign dividends taxed at different rates	2.53	3.49	-	-	2.38	1.47	-	-
Capital gains tax at different rate	-	-	-	-	-	-	-	-
Share of profit from associate	(3.10)	(1.25)	-	-	(3.10)	(0.76)	-	-
Associate income taxed at source	-	-	(9.43)	(10.78)	-	-	(7.78)	(3.49)
Non-deductible finance costs	-	0.03	-	0.10	-	(0.01)	-	(0.02)
Non-deductible expenses	27.72	6.07	(3.83)	-	28.20	0.19	(0.56)	0.01
Reversal of impairment on investment in subsidiary	-	-	-	-	-	-	-	-
Exempt income	-	(0.01)	(0.00)	(0.11)	-	0.01	(0.00)	0.18
Fair value gains taxed at lower CGT rate	(25.15)	(13.59)	-	-	(45.94)	(8.28)	-	(21.53)
Loss on net monetary position	23.53	6.02	7.11	19.78	-	-	-	-
Effective rate of income tax	**0.81**	**25.48**	**18.57**	**(15.74)**	**6.26**	**17.33**	**16.38**	**(0.13)**

Non-deductible expenses include donations, fines and penalties, excess management fees, expenses of a capital nature and disallowed interest. Exempt income comprises of interest receivable taxed at source.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

8 EARNINGS PER SHARE

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Net (loss)/profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
	Number of shares		**Number of shares**	
Weighted average number of ordinary shares for basic and diluted earnings / (loss) per share	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
8.1 Basic earnings per share				
Profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Earnings per share (cents)	(39.55)	44.33	42.80	28.47
8.2 Diluted earnings per share				
Profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Weighted average number of ordinary shares adjusted for the effect of dilution	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Earnings per share (cents)	(39.55)	44.33	42.80	28.47
8.3 Headline earnings per share				
Headline earnings	(2 555 512 672)	1 178 442 998	(374 748 844)	779 752 894
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Headline earnings per share (cents)	(53.14)	24.51	(7.79)	16.22
Reconciliation of earnings used in calculating headline earnings per share				
(Loss)/profit attributable to equity holders of the Company	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Adjusted for:				
Fair value gain on investment properties	(2 594 756 918)	(1 131 665 088)	(4 740 460 000)	(737 220 000)
Profit from sale of property, plant and equipment	(158 557 532)	(366 664)	(354 122 942)	(233 770)
Exchange losses/(gain)	1 884 824 254	(134 412 202)	1 862 774 394	(45 376 864)
Adjusted earnings	(2 770 203 448)	865 378 053	(1 173 651 917)	586 237 161
Total income tax effect on adjustments	214 690 776	313 064 945	798 903 073	193 515 733
Headline earnings	**(2 555 512 672)**	**1 178 442 998**	**(374 748 844)**	**779 752 894**

The shares used for computation of diluted earnings per share were the same as those for basic earnings as, as at 31 March 2023, there are no outstanding unexercised options to convert debt to equity resulting in there being no potential ordinary shares used in these earnings per share computations.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

9 PROPERTY, PLANT AND EQUIPMENT

INFLATION ADJUSTED (AUDITED)

	GROUP					
	Land and Buildings ZWL$	**Plant and Machinery ZWL$**	**Commercial vehicles ZWL$**	**Passenger motor vehicles ZWL$**	**Furniture & equipment ZWL$**	**Total ZWL$**
Cost / Valuation						
Balance as at 1 April 2021	**2 737 194 568**	**2 935 601 842**	**451 239**	**6 186 574**	**131 047 440**	**5 810 481 663**
Additions	356 007 103	691 598 608	-	62 827 432	86 171 407	1 196 604 550
Disposals	-	(1 170 088)	-	-	(174 274)	(1 344 362)
Impairment -charged to profit or loss	-	-	-	-	(8 670 428)	(8 670 428)
Revaluation of property	845 584 550	-	-	-	-	845 584 550
Balance as at 1 April 2022	**3 938 786 221**	**3 626 030 362**	**451 239**	**69 014 006**	**208 374 145**	**7 842 655 973**
Additions	131 028 366	1 165 293 883	-	44 397 952	66 753 401	1 407 473 602
Disposals	-	-	-	(10 759 678)	-	(10 759 678)
Reclassification	-	(87 808)	-	-	(10 350 519)	(10,438,326)
Revaluation of property	3 165 185 413	-	-	-	-	3 165 185 413
Balance as at 31 March 2023	**7 235 000 000**	**4 791 236 437**	**451 239**	**102 652 280**	**264 777 027**	**12 394 116 984**
Accumulated depreciation						
Balance as at 1 April 2021	**-**	**1 455 396 028**	**451 239**	**1 610 405**	**51 182 526**	**1 508 640 198**
Depreciation charge for the year	41 153 130	188 665 242	-	9 728 361	35 777 264	275 323 997
Depreciation reversal on revaluation	(41 153 130)	-	-	-	-	(41 153 130)
Disposals	-	(750 794)	-	-	(174 274)	(925 068)
Depreciation reversal on scrapping of assets	-	-	-	-	(5 792 829)	(5 792 829)
Balance as at 1 April 2022	**-**	**1 643 310 476**	**451 239**	**11 338 766**	**80 992 687**	**1 736 093 168**
Depreciation charge for the year	81 396 292	155 052 976	-	18 180 733	33 286 897	287 916 898
Depreciation reversal on revaluation	(81 396 292)	-	-	-	-	(81 396 292)
Disposals	-	-	-	(855,391)	-	(855 391)
Balance as at 31 March 2023	**-**	**1 798 363 452**	**451 239**	**28 664 108**	**114 279 584**	**1 941 758 383**
Net Book Value 31 March 2023	**7 235 000 000**	**2 992 872 985**	**-**	**73 988 172**	**150 497 443**	**10 452 358 601**
Cost / valuation	7 235 000 000	4 791 236 437	451 239	102 652 280	264 777 027	12 394 116 984
Accumulated depreciation and impairment loss	-	(1 798 363 452)	(451 239)	(28 664 108)	(114 279 584)	(1 941 758 383)
Net Book Value 31 March 2022	**3 938 786 221**	**1 982 719 886**	**-**	**57 675 240**	**127 381 458**	**6 106 562 805**
Cost / valuation	3 938 786 221	3 626 030 362	451 239	69 014 006	208 374 145	7 842 655 97
Accumulated depreciation and impairment loss	-	(1 643 310 476)	(451 239)	(11 338 766)	(80 992 687)	(1 736 093 168)

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

9 PROPERTY, PLANT AND EQUIPMENT

HISTORICAL COST (UNAUDITED)

	GROUP					
	Land and Buildings ZWL$	**Plant and Machinery ZWL$**	**Commercial vehicles ZWL$**	**Passenger motor vehicles ZWL$**	**Furniture & equipment ZWL$**	**Total ZWL$**
Cost / Valuation						
Balance as at 1 April 2021	**541 520 000**	**56 054 423**	**3 376**	**747 615**	**2 857 444**	**601 182 858**
Additions	107 701 193	206 487 113	-	14 273 973	24 114 977	352 577 256
Disposals	-	(8 755)	-	-	(1 304)	(10 059)
Impairment loss of an asset	-	-	-	-	(64 876)	(64 876)
Revaluation of property	696 488 807	-	-	-	-	696 488 807
Balance as at 1 April 2022	**1 345 710 000**	**262 532 781**	**3 376**	**15 021 588**	**26 906 241**	**1 650 173 986**
Additions	89 739 188	1 098 854 137	-	38 306 135	54 394 142	1 281 293 602
Disposals	-	-	-	(6 509 963)	-	(6 509 963)
Reclassification	-	(30 000)	-	-	(3 536 320)	(3 566 320)
Revaluation of property	5 799 550 812	-	-	-	-	5 799 550 812
Balance as at 31 March 2023	**7 235 000 000**	**1 361 356 918**	**3 376**	**46 817 760**	**77 764 063**	**8 720 942 117**
Accumulated depreciation						
Balance as at 1 April 2021	**-**	**11 953 787**	**3 376**	**108 829**	**905 063**	**12 971 055**
Depreciation charge for the period	12 402 871	3 618 464	-	1 719 905	2 749 094	20 490 334
Depreciation reversal on revaluation	(12 402 871)	-	-	-	-	(12 402 871)
Disposals	-	(5 618)	-	-	(1 306)	(6 924)
Depreciation reversal on scrapping of assets	-	-	-	-	(43 345)	(43 345)
Balance as at 1 April 2022	**-**	**15 566 633**	**3 376**	**1 828 734**	**3 609 506**	**21 008 249**
Depreciation charge for the period	27 049 920	16 256 884	-	6 585 350	11 736 292	61 628 446
Depreciation reversal on revaluation	(27 049 920)	-	-	-	-	(27 049 920)
Disposals	-	-	-	(327 873)	-	(327 873)
Balance as at 31 March 2023	**-**	**31 823 517**	**3 376**	**8 086 211**	**15 345 798**	**55 258 902**
Net Book Value 31 March 2023	**7 235 000 000**	**1 329 533 401**	**-**	**38 731 549**	**62 418 265**	**8 665 683 215**
Cost / valuation	7 235 000 000	1 361 356 918	3 376	46 817 760	77 764 063	8 720 942 1117
Accumulated depreciation and impairment loss	-	(31 823 517)	(3 376)	(8 086 211)	(15 345 798)	(55 258 902)
Net Book Value 31 March 2022	**1 345 710 000**	**246 966 148**	**-**	**13 192 854**	**23 296 735**	**1 629 165 737**
Cost / valuation	1 345 710 000	262 532 781	3 376	15 021 588	26 906 241	1 650 173 986
Accumulated depreciation and impairment loss	-	(15 566 633)	(3 376)	(1 828 734)	(3 609 506)	(21 008 249)

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9 (a) Reconciliation of impairment loss to the Statement of Profit and Loss and Other Comprehensive Income

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Impairment loss				
Recognised through statement of profit or loss (note 6)	-	2 877 599	-	21 531
Depreciation reversal on scrapping (note 9)	-	5 792 829	-	43 345
Impairment charged to profit or loss and OCI	-	-	-	-
Impairment on cost of assets (as per note 9 above)	**-**	**8 670 428**	**-**	**64 876**
9 (b) Reconciliation of revaluation of land and buildings				
Adjustment to the gross carrying amount (note 9)	3 165 185 413	845 584 550	5 799 550 812	696 488 807
Reversal of depreciation (note 9)	81 396 292	41 153 130	27 049 920	12 402 871
Revaluation adjustment in profit or loss and OCI	**3 246 581 705**	**886 737 680**	**5 826 600 732**	**708 891 678**

9.1 Impairment indicators assessment

In assessing for impairment management considers financial indicators which include:

- The Group's net asset value was positive at ZWL13.1 billion.
- Cash flows – The Group has continued to create positive cash flows as evident in the consolidated statement of cash Flows.
- Reliance on short-term borrowings – This is not the case with the Group. Gearing has reduced significantly in the current year.
- Forecast of negative cash flows – As per the Board approved budget, the Group does not anticipate to have any negative cash flows in the foreseeable future.
- Slow collections from debtors – This is not the case with the Group. The debtors collection days has improved significantly since 2022 and is now on 7 days.

Operational indicators

- Level of production – The Group had a decline in production in the current year from 82 399 tonnes in the prior year to 77 270 tonnes in the year ended 31 March 2023.
- Level of sales in the market – The Group had an insignificant decrease in sales volumes in the current year from 82 500 tonnes in the prior year to 82 321 tonnes in the financial year ended 31 March 2023.

Following this impairment indicators assessment, management concluded that there are no indicators of impairment of the property, plant and equipment and, as a result , no formal estimate of the recoverable amount was required or made.

9.2 Property provided as security

Property classified as property, plant and equipment with a carrying value of ZWL2.3 billion (nil: 2022) was provided as security with respect to a bank overdraft facility.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.3 Revaluation of Property, Plant and Equipment

The Group carries land and buildings at fair value less accumulated depreciation and impairment, and the rest of property plant and equipment is carried at historical cost less accumulated depreciation and impairment. The revalued property consists of commercial land and buildings. The fair value of properties was determined by using market comparable method and the implicit investment method. The difference between the carrying amount as at 31 March 2022 and the fair value as at 31 March 2023 was deemed to be the revaluation in ZWL terms and was classified under other comprehensive income.

At date of revaluation, 31 March 2023, the properties' fair values were determined by Dawn Property Consultancy (Private) Limited, an accredited independent valuer. The valuations performed by the valuer are based on active market prices, adjusted for differences in the nature, location or condition of the specific property.

Description of valuation techniques used and key inputs to valuation of land and buildings occupied by the Group

The following methods and assumptions have been adopted in the valuation process:

Valuation techniques for commercial land

The comparative method is used to value commercial land. This method works on the basic assumption that the price paid for a property at a given point in time is evidence of the market value of that property and, all other factors being equal, is a good indicator of the market value of a similar property. It involves carrying out a valuation by directly comparing the subject property with similar properties which have sold in the past and using evidence of those transactions to assess the value of the subject property. Analysis should encompass every attribute of a transaction that was different from every other attribute in selected comparable transactions.

Valuation techniques for commercial buildings

The Income approach was used to commercial buildings occupied by the Group. This method is based on the assumption that rental and capital values have a close relationship. There is an inverse relationship between asking price and the capitalisation rate. The higher the capitalisation rate the lower the asking price and vice versa. The method is used to value income (from rental income) producing properties. The income generated by the property is used in conjunction with the capitalisation rate to estimate the properties value. The capitalisation rate is evidence based on the similar returns that are achieved by similar properties that are sold in the market. The chief drivers in properties values are capitalisation rate and the net annualised rental income.

Significant Unobservable Inputs

These are as follows:-

For commercial buildings occupied by the Company - rental value per square metre and capitalisation rates.

For commercial land occupied by the Group -rental per square metre and capitalisation rates.

Vacancy rates were assumed to be nil for the purposes of the valuation exercise performed for owner occupied properties.

In arriving at the fair values, the following rentals and capitalisation rates were applied,

Property Type		**Value technique**	**Significant unobservable inputs**			
Commercial	**Buildings Land**	**Income approach (implicit)**	**Rental/Price per square metre ranges**		**Capitalisation rates/MSE factor ranges**	
			2023	**2022**	**2023**	**2022**
		Comparative approach	$1 500 - $4 200	$468 - $3 161	12% - 13.75%	12% - 13.5%
				$12 - $41		12% - 13.5%

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.3 Revaluation of Property, Plant and Equipment (continued)

Determination of the ranges of significant unobservable inputs.

The major inputs in the valuation of owner-occupied properties are the rental income (per square metre) and the capitalization rates. In coming up with rental inputs, the valuation approach made use of comparable rentals inferred from offices and industrials properties within the locality of the subject properties based on use, location, size and quality of finishes. The highest and lowest rentals (per square metre) of comparable properties were taken as the upper and lower limits, respectively, of the ranges presented above. In order to determine the capitalisation rate used, the valuer adopted the principle of risk-free rate of return plus premium to reflect the market and specific risks related to the properties. The risks inherent to each property is different hence the variations of the capitalisation rates used. The highest and lowest capitalization rates which were employed in these valuations were taken as the upper and lower limits, respectively, of the ranges presented above.

Capitalisation rates

The capitalisation rate (cap rate) is a metric that describes the relationship between a property's net operating income and its market value. The capitalisation rates adopted in the valuation were deemed appropriate as a reflection of the risks associated to each property and the cash flows generated. To determine the capitalisation rate used, management adopted the principle of risk-free rate of return plus premium to reflect the market and specific risks related to the properties. The risks inherent to each property is different hence the variations of the capitalisation rates used.

In the determination of capitalisation rates, management took into account the risk-free rate of return from Treasury Bills issued in March 2021 at 18% per year for a two-year term. Considering that the Government Treasury Bills have a short time horizon, management assumed a substantial discount that a 5/10 -year government bond should have risk-free rate of return of, approximately, 8%. Professional adjustments were made to cater for risk factors including, age of the property, location, status of the property, property type, tenants' solvency, term and structure of tenant lease(s), and selected macroeconomic fundamentals of the country impacting the tenants' businesses, in this case being Zimbabwe.

Fair Value Hierarchy

The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
Fair value measurement using significant unobservable inputs (Level 3)	**2023 ZWL$**	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**
Commercial buildings	6 750 000 000	3 805 201 568	6 750 000 000	1 300 070 000
Commercial land	485 000 000	133 584 653	485 000 000	45 640 000
Total	**7 235 000 000**	**3 938 786 221**	**7 235 000 000**	**1 345 710 000**
Reconciliation of fair value:				
As at 1 April	3 938 786 221	2 737 194 566	1 345 710 000	541 520 000
Remeasurement recognised in profit or loss	(81 396 292)	(41 153 129)	(27 049 920)	(12 402 871)
Remeasurement recognised in other comprehensive income	3 246 581 705	886 737 681	5 826 600 732	708 891 678
Additions	131 028 366	356 007 103	89 739 188	107 701 193
As at 31 March	**7 235 000 000**	**3 938 786 221**	**7 235 000 000**	**1 345 710 000**

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL(UNAUDITED)	
If land and buildings were measured using the cost model, the carrying amounts would be as follows:	**2023 ZWL$**	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**
Cost	4 371 400 864	4 240 372 498	121 467 728	31 728 540
Accumulated depreciation	(428 467 003)	(341 038 986)	(4 981 175)	(2 551 821)
Net carrying amount	**3 942 933 861**	**3 899 333 512**	**116 486 553**	**29 176 719**

If the revaluation adjustment had been 10% up or down, the Group's other comprehensive income would have been ZWL 122 102 607 (March 2021: ZWL 33 376 807) higher or lower than the reported position. The Statement of Financial Position would be ZWL 162 198 057 higher or lower than the reported position.

Sensitivity analysis to significant changes in unobservable inputs within Level 3 of the hierarchy

An increase or decrease in the rental per square metre and price per square metre used in the revaluation of properties categorised within Level 3 of the fair value hierarchy of the Group's portfolios of investment property will result in an increase or decrease in revalued amounts of property, plant and equipment as at 31 March 2023. An increase in the capitalisation rate will result in a decrease in the revalued amounts whilst a decrease in the capitalisation rate will result in an increase in revalued amounts.

	Impact on property value		Impact on Other Comprehensive Income		Impact on equity	
	10% increase	**10% decrease**	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
2023	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Rental per square metre	562 319 353	(553 556 893)	74 685 197	(74 685 197)	74 685 197	(74 685 197)
Capitalisation rate	(937 198 922)	615 063 213	(124 475 328)	82 983 552	(124 475 328)	(82 983 552)

Sensitivity Analyses	Impact on property value		Impact on Other Comprehensive Income		Impact on equity	
	10% increase	**10% decrease**	**10% increase**	**10% decrease**	**10% increase**	**10% decrease**
2022	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Rental per square metre	393 878 622	(393 878 622)	73 790 191	(296 511 827)	296 511 827	296 511 827
Capitalisation rate	(656 464 370)	437 642 912	(67 081 992)	329 457 584	(494 186 378)	329 457 584

Increases/(decreases) in the transaction prices on comparable properties and rental per square metre in isolation would result in a higher/(lower) fair value measurement.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

10 INVESTMENT PROPERTY

	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Balance at 1 April	**3 569 321 043**	**2 437 655 955**	**1 219 480 000**	**482 260 000**
Valuation gain on investment property	2 594 756 918	1 131 665 088	4 740 460 000	737 220 000
Disposal	(310 077 961)	-	(105 940 000)	-
Balance at 31 March	**5 854 000 000**	**3 569 321 043**	**5 854 000 000**	**1 219 480 000**

Investment properties were valued by Dawn Property Consultancy (Private) Limited an accredited independent valuer. Dawn Property Consultancy (Private) Limited is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuations Standards Committee has been applied.

Ten (10) properties have no title deeds. Of these, three (3) are held under lease with rural district councils, six (6) had been previously under dispute with a non-controlling shareholder of a subsidiary company. On 28 December 2020, a deed of settlement was signed between the parties wherein it was agreed that the Group would make a payment of US$1,850,000 to the non-controlling shareholder, after which title deeds would then be passed on to the Company. The amount was settled and the transfer of ownership is in progress.

Investment property with a carrying value of ZWL3.12 billion (nil: 2022) was provided as security with respect to a bank overdraft facility.

The level of the fair value hierarchy and the description of the valuation techniques applied are detailed below;

Description of valuation techniques used and key inputs to valuation of investment properties;
The following methods and assumptions have been adopted in the valuation process:

Valuation techniques for land and residential buildings
The comparative method is used to value land and residential properties. This method works on the basic assumption that the price paid for a property at a given point in time is evidence of the market value of that property and all other factors being equal is a good indicator of the market value of a similar property. It involves carrying out a valuation by directly comparing the subject property with similar properties which have sold in the past and using evidence of those transactions to assess the value of the subject property. Analysis should encompass every attribute of a transaction that was different from every other attribute in selected comparable transactions.

The more comparables that are available to the valuer, the easier it is to derive an estimate of value with substantive evidence. This is most suitable for residential property where there is a freehold interest or a long leasehold interest. The units of comparison can include land area (in square metres) and main space equivalent (This encompasses location; size; quality; etc.). The key drivers of value are land value and the main space equivalent factor ("MSE"). These comparable inputs are then multiplied by the price/rental per square metre based on comparable evidence in the market in order to determine the resultant fair values of the subject property.

Valuation techniques for commercial buildings
The Income approach was used to value investment properties. This method is based on the assumption that rental and capital values have a close relationship. There is an inverse relationship between asking price and the capitalisation rate. The higher the capitalisation rate the lower the asking price and vice versa. The method is used to value income (from rents or leases) producing properties. The income generated by the property is used in conjunction with the capitalisation rate to estimate the property values. The capitalisation rate is evidence based on the similar returns that are achieved by similar properties that are sold in the market. The chief drivers in property values are capitalisation rate and the net annualised rental income.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

10 INVESTMENT PROPERTY (CONTINUED)

Significant unobservable inputs
These are as follows:-
For commercial land buildings held as investment property - rental value per square metre and capitalisation rates.
For residential land and buildings held as investment property - price per square metre and main space equivalent (in square metres).

The key inputs for the valuation of non-residential investment property are the rental income and the capitalisation rate. The fair values were determined using ZWL inputs.

In arriving at the fair values, the following rentals and capitalisation rates were applied on the main space for selected towns

Property Type	Value technique	Significant unobservable inputs			
		Rental/Price per square metre ranges		Capitalisation rates/ MSE factor ranges	
		2023	2022	2023	2022
Commercial Land	Income approach (implicit)	$1 500 - $4 200	$468 - $3 161	12% - 13.75%	12% - 13.5%
	Comparative approach	$800 - $15 000	$29 - $146	12% - 13.75%	12% - 13.5%
Buildings Land	Income approach (implicit)	$4 000 - $22 500	$3 776 - $20 196	12% - 13.75%	64SQM - 184SQM
	Comparative approach	$4 000 - $21 000	$4 215 - $17 562	not applicable	not applicable

Determination of the ranges of significant unobservable inputs.
The major inputs in the valuation of owner-occupied properties are the rentals (per square metre) and the capitalization rates. In coming up with rental inputs, the valuation approach made use of comparable rentals inferred from offices and industrials within the locality of the subject properties based on use, location, size and quality of finishes. The highest and lowest rentals (per square metre) of comparable properties were taken as the upper and lower limits, respectively, of the ranges presented above. In order to determine the capitalisation rate used, the valuer adopted the principle of risk-free rate of return plus premium to reflect the market and specific risks related to the properties. The risks inherent to each property is different hence the variations of the capitalisation rates used. The highest and lowest capitalization rates which were employed in these valuations were taken as the upper and lower limits, respectively, of the ranges presented above. The MSE inputs ranges were determined by taking the upper and lower building space ranges for the Starafrica property portfolio.

Vacancy rates
Vacancy rates, a further unobservable input incorporated in the valuation, were assumed to be zero i.e. full occupancy. This is particularly the case in the valuation of residential properties of the Group. The vacancy rate of residential properties is less than 10% and this is evidenced by the shortage of housing stock in the market. The large waiting list held with municipalities and councils is an indication, that there is high demand of residential properties. Secondly, most developments in the real estate is concentrated in residential properties which shows that there is appetite for the housing backed by demand. Thus the vacancy rate is minimal and insignificant in the determination of residential properties values as the valuation approach is comparative method.

Capitalisation rates
The capitalisation rate is a metric that describes the relationship between a property's net operating income and its market value. The capitalisation rates adopted in the valuation were deemed appropriate as a reflection of the risks associated to each property and the cash flows generated. To determine the capitalisation rate used, management adopted the principle of risk-free rate of return plus premium to reflect the market and specific risks related to the properties. The risks inherent to each property is different hence the variations of the capitalisation rates used.

In the determination of capitalisation rates, management took into account the risk-free rate of return from Treasury Bills issued in March 2021 at 18% per year for a two-year term. Considering that the Government Treasury Bills have a short time horizon, management assumed a substantial discount that a 5/10 -year Government bond should have risk-free rate of return of, approximately, 8%. Professional adjustments were made to cater for risk factors including, age of the property, location, status of the property, property type, tenants' solvency, term and structure of tenant lease(s), and selected macroeconomic fundamentals of the country impacting the tenants' businesses, in this case being Zimbabwe."

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

10 INVESTMENT PROPERTY (CONTINUED)

Income and expenses relating to investment property	INFLATION ADJUSTED (AUDITED) 2023 ZWL$	2022 ZWL$	HISTORICAL (UNAUDITED) 2023 ZWL$	2022 ZWL$
Rental income	(337 536 723)	162 249 670	(297 056 510)	44 203 429
Direct operating costs incurred in generating the rental income	(41 855 172)	(13 071 478)	(35 757 751)	(3 535 147)

There are no other operating costs incurred which did not generate the rental income recognised.

The Group has contractual arrangements which do not substantially transfer all the risks and rewards of ownership to third parties utilising those assets. Rental income arising from those arrangements is accounted for on a straight-line basis over the term of the arrangement and is included in profit or loss. Contingent rents are recognised as revenue in the period in which they are earned.

The Group did not award any rent concessions attributable to the effects of COVID-19 during the year under review nor in the 2021 financial year. Lease receivables have also been included in the allowance for expected credit losses as it appears on the face of the statement of profit and loss and other comprehensive income. There was no voluntary forgiveness of any lease receivables whether due to COVID-19 induced impact or other matters. Also, straight lining of the lease income did not apply as none of lease agreements with lessees contain rent escalation clauses. Lease receivables were scoped into the expected credit loss model with an allowance quantified and recognised in the financial statements.

The Group leases residential and industrial properties all around the country for lease periods not exceeding 12 months which are renewable only with the express agreement of the Group as the lessor. The Group retains the ownership rights over the properties by not putting any clauses in the contract which, explicitly or implicitly, cede the rights over the properties to the lessees. The contracts are kept as short term without any automatic renewal clauses in the agreements.

Fair Value Hierarchy
The following table shows an analysis of the fair values of investment property recognised in the statement of financial position by level of the fair value hierarchy;

Fair value measurement using significant unobservable inputs (Level 3)	INFLATION ADJUSTED (AUDITED) 2023 ZWL$	2022 ZWL$	HISTORICAL (UNAUDITED) 2022 ZWL$	2023 ZWL$
Commercial	5 657 000 000	3 463 454 328	5 657 000 000	1 183 310 000
Residential	197 000 000	105 866 715	197 000 000	36 170 000
Total	5 854 000 000	3 569 321 043	5 854 000 000	1 219 480 000

The total value of land included in commercial properties is ZWL1 208 994 938 (2022 : ZWL753 111 286) and in residential properties is ZWL45 140 614 (2022 : ZWL24 258 317)

Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment properties and land and buildings were as follows:

- Capitalisation rate;
- Rental per square metre;
- Vacancy rate ; and
- Comparable transacted properties

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

10 INVESTMENT PROPERTY (CONTINUED)

Sensitivity Analyses	Impact On Property Value		Impact On Profit For The Year		Impact On Equity	
	10% increase	10% increase	10% increase	10% increase	10% increase	10% increase
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
2023						
Rental per square metre	97 749 498	97 749 498	97 749 498	97 749 498	97 749 498	97 749 498
Vacancy rate	(12 025 926)	(12 025 926)	(11 157 165)	(11 157 165)	(11 157 165)	(11 157 165)
Capitalisation Rate	(88 863 180)	(108 610 554)	(88 863 180)	(108 610 554)	(88 863 180)	(88 863 180)

Sensitivity Analyses	Impact On Property Value		Impact On Profit For The Year		Impact On Equity	
	10% increase	10% increase	10% increase	10% increase	10% increase	10% increase
	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$	ZWL$
2022						
Rental per square metre	356 932 104	(356 932 104)	339 085 499	(339 085 499)	339 085 499	(339 085 499)
Vacancy rate	(43 912 647)	43 912 647	(38 703 349)	38 703 349	(38 703 349)	38 703 349
Capitalisation rate	(324 483 731)	396 591 227	(308 259 545)	376 761 666	(308 259 545)	376 761 666

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

11 INVESTMENTS

11.1 Investment in associate

The Group has a 33.33% (2022: 33.33%) equity in Tongaat Hulett (Botswana) (Proprietary) Limited (formerly Sugar Industries (Proprietary) Limited). Tongaat Hulett (Botswana) (Proprietary) Limited is a private entity that is not listed on any public exchange.

The following table illustrates summarised financial information of the Group's investment in Tongaat Hulett (Botswana) (Proprietary) Limited.

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Investment at cost	-	-	13 268 173	13 268 173	-	-	99 279	99 279
Associate's statement of financial position:								
Non-current assets	775 794 325	344 072 957	-	-	775 794 325	117 554 595	-	-
Current assets	5 562 522 345	2 188 248 788	-	-	5 562 522 345	747 628 358	-	-
Current liabilities	(2 260 973 952)	(790 189 153)	-	-	(2 260 973 952)	(269 972 876)	-	-
Non-current liabilities	(90 875 503)	(35 288 626)	-	-	(90 875 503)	(12 056 571)	-	-
Net assets	**3 986 467 214**	**1 706 843 966**	**-**	**-**	**3 986 467 214**	**583 153 506**	**-**	**-**
Share of the associate's statement of financial position:	**1 328 822 404**	**568 947 987**	**-**	**-**	**1 328 822 405**	**194 384 502**	**-**	**-**
Revenue	16 129 862 371	7 869 081 461	-	-	16 129 862 371	2 688 519 006	-	-
Cost of sales	(13 932 360 452)	(6 745 801 178)	-	-	(13 932 360 452)	(2 304 743 541)	-	-
Administrative expenses	(952 072 699)	(506 754 392)	-	-	(952 072 699)	(173 135 686)	-	-
Finance costs	(5 238 509)	(5 183 865)	-	-	(5 238 509)	(1 771 099)	-	-
Profit before tax	**1 240 190 711**	**611 342 026**	**-**	**-**	**1 240 190 711**	**208 868 680**	**-**	**-**
Income tax expense	(281 473 191)	(134 502 328)		-	(281 473 191)	(45 953 529)		-
Profit for the year	**958 717 520**	**476 839 698**	**-**	**-**	**958 717 520**	**162 915 151**	**-**	**-**
Total comprehensive income	**958 717 520**	**476 839 698**	**-**	**-**	**958 717 520**	**162 915 151**		**-**
Group's share of total comprehensive income for the year	**319 572 506**	**158 946 565**	**-**	**-**	**319 572 506**	**54 305 050**	**-**	**-**
Dividend received from associate	322 493 328	442 294 784	322 493 328	442 294 784	303 969 915	104 129 293	303 969 915	104 129 293
Reconciliation of investment in associate								
Balance at 1 April	**568 947 989**	**848 644 844**	**-**	**-**	**194 384 502**	**167 893 858**	**-**	**-**
Share of profits	319 572 506	158 946 565	-	-	319 572 507	54 305 050	-	-
Dividends received	(322 493 328)	(442 294 783)	-	-	(303 969 915)	(104 129 293)	-	-
Effects of changes in exchange rates	1 118 835 311	223 367 608	-	-	1 118 835 311	76 314 887	-	-
Monetary loss	(356 040 073)	(219 716 245)	-		-	-		-
Balance at 31 March	**1 328 822 405**	**568 947 989**	**-**	**-**	**1 328 822 405**	**194 384 502**	**-**	**-**

The 55% decrease in the total comprehensive income of the associate is mainly as a result of a decrease in the revenue caused by some temporary shortage of sugar that had occurred from Zimbabwe and South Africa which feed into the Botswana export market via Tongaat Hulett Botswana. However, this has since been resolved and the sales volumes are on a rebound. Management have assessed this decrease in profitability that occurred during the year under review and has concluded that these are unlikely to recur due to the supply side interventions that have been made to ensure a constant supply of sugar into the Botswana market. Consequently, management have concluded that this is not an indicator of impairment of the investment of associate.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

11 INVESTMENTS

11.2 Investments in subsidiaries

		INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Subsidiary	**Ownership**								
Starafrica Operations (Private) Limited	100%	-	-	54 439 123	54 439 123	-	-	18 599 454	18 599 454
Red Star Holdings Limited **	100%	-	-	-		-	-	-	-
Silver Star Properties (Private) Limited - 11.2 (a)	100%	-	-	2 482 747 289	2 482 747 289	-	-	18 577 129	18 577 129
Starafrica International Limited **	100%	-	-	275	275	-	-	2	2
Namibstar Trading (Proprietary) Limited **	100%	-	-	1 739	1 739	-	-	13	13
			-	**2 537 188 426**	**2 537 188 426**	**-**	**-**	**37 176 598**	**37 176 598**
** - subsidiaries are dormant									
Reconciliation of carrying amounts of investments in subsidiaries									
Opening carrying amount of investments		-	-	2 537 188 426	2 482 749 303	-	-	37 176 598	18 577 144
Reversal of impairment losses previously recognised	11.2(b)	-	-	-	54 439 123	-	-	-	18 599 454
Closing carrying amount of investments		**-**	**-**	**2 537 188 426**	**2 537 188 426**	**-**	**-**	**37 176 598**	**37 176 598**

11.2(a)Investment in Silverstar Properties (Private) Limited

Starafrica Corporation Limited holds 100% (2022: 100%) equity in Silverstar Properties (Private) Limited. Silverstar Properties, in turn, holds equity in 3 property companies, namely Safariland Investments (Private) Limited (70% equity) (2022: 70%), Charring Cross Properties (Private) Limited (100% equity) (2022: 100%) and Quality Properties (Private) Limited (100%) (2022: 100%) equity.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

11 INVESTMENTS

11.3 Material partly-owned subsidiaries

Financial information of subsidiaries that have material non controlling interest are provided below:

Name	Country of incorporation and operation	INFLATION ADJUSTED (AUDITED) 2023 ZWL$	INFLATION ADJUSTED (AUDITED) 2022 ZWL$	HISTORICAL (UNAUDITED) 2023 ZWL$	HISTORICAL (UNAUDITED) 2022 ZWL$
Safariland Investments (Private) Limited	Zimbabwe	30%	30%	30%	30%
Accumulated balances of material non-controlling interest					
Name					
Safariland Investments (Private) Limited		1 196 254 260	1 024 391 582	497 702 700	165 047 849
Profit allocated to material non-controlling interest					
Name					
*Safariland Investments (Private) Limited		171 862 678	201 830 367	332 654 850	81 812 170
Summarised statement of profit or loss - Safariland Investments (Private) limited					
Revenue		-	-	-	-
Other income		-	467 383 764	-	116 586 330
Administrative expenses		-	(11 110 387)	-	(3 795 931)
Fair value adjustment on investment property		603 026 939	246 927 241	1 167 210 000	172 100 000
Profit before income tax		**603 026 939**	**703 200 618**	**1 167 210 000**	**284 890 399**
Income tax		(30 151 347)	(30 432 731)	(58 360 500)	(12 183 164)
Profit for the year		**572 875 592**	**672 767 887**	**1 108 849 500**	**272 707 235**
Total comprehensive income		**572 875 592**	**672 767 887**	**1 108 849 500**	**272 707 235**
Attributable to non-controlling interest		171 862 678	201 830 366	332 654 850	81 812 170
Summarised statement of financial position - Safariland Investments (Private) limited					
Investment property		1 460 000 000	856 973 061	1 460 000 000	292 790 000
Trade and other receivables		272 117 895	796 467 451	272 117 895	272 117 895
Cash and cash equivalents		-	-	-	-
Trade and other payables		(114 998)	(336 589)	(114 998)	(114 998)
Deferred Tax		(73 800 000)	(42 848 653)	(73 000 000)	(14 639 500)
Total equity		**1 659 002 897**	**1 610 255 270**	**1 659 002 897**	**550 153 397**
Attributable to:					
Equity holders of the parent		-	-	-	-
Non-controlling interest		1 196 254 260	1 024 391 582	497 702 700	165 047 849
Summarised cash flow information - Safariland Investments (Private) limited					
Profit before income tax		**603 026 939**	**703 200 618**	**1 167 210 000**	**284 890 399**
Unrealised exchange gain		-	(467 383 764)	-	(116 586 330)
Valuation gain on investment property		(603 026 939)	(246 927 241)	(1 167 210 000)	(172 100 000)
Increase in accounts receivable		-	11 110 387	-	3 795 931
Cash generated from / (used in) operations		-	-	-	-
Net increase/(decrease) in cash and cash equivalents		**-**	**-**	**-**	**-**

*Safariland Investments (Private) limited was not operational during the year.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

12. INVENTORIES

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Raw materials	344 185 420	317 088 136	-	-	343 884 077	107 578 648	-	-
Work in progress	315 914 171	122 844 119	-	-	315 914 171	41 970 432	-	-
Finished product/wholesale merchandise	570 730 400	995 225 847	-	-	570 613 237	339 154 082	-	-
Consumables	451 483 427	381 374 415	-	-	450 539 673	127 839 243	-	-
Total inventories at the lower of cost and net realisable value	**1 682 313 418**	**1 816 532 517**	**-**	**-**	**1 680 951 158**	**616 542 405**	**-**	**-**

The amount of inventory expensed during the year is ZWL32,180,482,615 (2022: ZWL23,415,417,369).

13 RECEIVABLES AND PREPAYMENTS

13.1 Trade and other receivables

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Trade receivables	2 034 489 092	670 426 978	-	-	2 034 489 092	229 055 409	-	-
Allowance for expected credit losses	(171 247 681)	(64 156 856)	(11,716,284)	(11,716,284)	(171 247 681)	(21 919 574)	(4,002,939)	(4,002,939)
Receivables for disposed assets	121 787	356 463	-	-	121 787	121 787	-	-
Value added tax	768 290 908	641 284 363	-	-	768 290 908	219 098 659	-	-
Other receivables	18 500 827	5 407 670	-	-	18 500 827	1 847 563	-	-
Amounts owed by related parties (note 21.6)	-	-	623 066 051	1 171 268 477	-	-	615 352 704	400 293 915
	2 650 154 933	**1 253 318 618**	**611 349 767**	**1 159 912 193**	**2 650 154 933**	**428 203 844**	**611 349 765**	**396 290 976**

Impairment

The above trade and other receivables are net of allowance for expected credit losses of ZWL171,247,681 (2022: ZWL64,156,856).
As at 31 March 2023, the Group did not hold any security on trade and other receivables.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

13 Receivables and Prepayments

13.1 Trade and other receivables

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Reconciliation of the allowance for credit losses								
Opening balance as at 1 April	64 156 857	32 348 939	11 716 284	-	21 919 575	6 399 836	4 002 939	-
Charge for the year	107 090 825	31 807 918	-	11 716 284	149 328 105	15 519 739	-	4 002 939
Closing balance as at 31 March	**171 247 682**	**64 156 857**	**11 716 284**	**11 716 284**	**171 247 680**	**21 919 575**	**4 002 939**	**4 002 939**
13.2 Prepayments and Deposits								
Capital Expenditure	217 896 714	7 433 455	-	-	198 011 582	4 170 458	-	-
Capital expenditure	800 888 103	637 766 366	-	-	788 645 040	198 011 582	-	-
Production inputs and spares	350 095 540	616 732 323	-	-	347 361 822	203 317 823	-	-
Raw materials	547 825 855	327 932 195	-	-	531 555 263	109 194 417	-	-
Other services	4 982 545	29 104 942	-	-	4 955 109	9 267 253	-	-
	1 703 792 043	**1 611 535 826**	**-**	**-**	**1 672 517 234**	**519 791 075**	**-**	**-**

For the purposes of accounting for these prepayments and the related assets on initial recognition, the date of the transaction for the purpose of determining the exchange rate used is the date on which the Group initially recognises the non-monetary asset (prepayment) arising from the payment. Hence, the values of prepayments remain static and are not restated from time to time and the resultant asset purchased is initially recognised at the value of the prepayment determined when the payment was made.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

14 NOTES TO THE STATEMENTS OF CASH FLOWS

14.1 Cash used in operations

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
14.1 Cash (used in)/generated from operations								
(Loss)/profit before tax	(1 744 123 350)	3 131 609 847	(315 930 798)	(193 622 333)	2 550 594 114	1 755 050 138	398 639 552	140 794 606
Depreciation	287 916 898	275 323 995	-	-	61 629 659	20 490 333	20 490 333	-
Valuation (gain)/loss on investment property	(2 594 756 918)	(1 131 665 088)	-	-	(4 740 460 000)	(737 220 000)	-	-
Impairment on plant and equipment	-	2 877 599	-	-	-	21 532	-	-
Impairment reversal of Investment in Subsidiary	-	-	-	(54 439 124)	-	-	-	(18 599 454)
Allowance for expected credit losses (Note 13)	107 090 825	31 807 919	-	11 716 284	149 328 105	15 519 739	-	4 002 939
Assets write-off to profit or loss	10 438 326	-	-	-	3 566 317	-	-	-
Loss on net monetary position	7 099 844	2 010 878 287	733 392 016	741 480 081	-	-	-	-
Unrealised exchange (gain)/loss	69 463 203	(146 869 791)	-	(63 852 934)	69 463 201	(50 178 949)	(94 713 958)	(21 815 739)
Profit on disposal of assets	(158 557 532)	(366 664)	-	-	(354 122 942)	(233 770)	-	-
Dividends received from associate	-	-	(322 754 111)	(442 294 809)	-	-	(303 969 915)	(104 129 293)
Share of profit of an associate	(319 572 506)	(158 946 566)	-	-	(319 572 506)	(54 305 050)	-	-
	(4 334 801 985)	**4 014 649 538**	**94 707 107**	**(1 012 809)**	**(2 579 574 052)**	**949 143 973**	**(44 321)**	**253 059**
14.2 Net finance cost								
Finance income	(127 374)	(1 085 683)	(152 181)	(1 076 033)	(106 047)	(278 238)	(106 047)	(278 238)
Finance cost (note 14.2a)	49 752 321	4 231 058	-	3 932 802	49 599 967	881 632	-	810 481
	49 624 947	**3 145 375**	**(152 181)**	**2 856 769**	**49 493 920**	**603 394**	**(106 047)**	**532 243**

14.2a During the year ended 31 March 2023 finance costs were incurred on acquiring a bank overdraft facility. A facility of US$1 million was provided by Ecobank Zimbabwe Limited in February 2023 to improve working capital for the business.

14.3 Working capital changes								
Decrease/(increase) in inventories	134 219 099	(214 981 001)	-	-	(1 064 408 753)	(310 284 247)	-	-
(Increase)/decrease in trade and other receivables	(1 596 183 357)	(1 467 414 942)	548 562 426	135 078 468	(3 524 058 794)	(685 477 491)	(215 058 789)	(141 778 151)
Increase/(decrease) in trade and other payables	5 377 922 512	559 937 318	(318 452)	(351 640)	7 423 770 452	558 997 701		-
	3 915 958 254	**(1 122 458 625)**	**548 243 974**	**134 726 828**	**2 835 302 905**	**(436 764 037)**	**(215 058 789)**	**(141 778 151)**
Cash used in operations	**(369 218 784)**	**2 895 336 288**	**642 798 900**	**136 570 788**	**305 222 773**	**512 983 331**	**(215 209 157)**	**(140 992 849)**
14.4 Cash and cash equivalents								
For the purpose of the statements of cash flows								
Cash and cash equivalents comprise the following at 31 March:	**(84 312 477)**	**1 214 655 550**	**165 069 067**	**22 105 313**	**(84 312 477)**	**414 994 374**	**165 069 067**	**7 552 413**
Cash and cash equivalents	828 056 995	1 214 655 550	165 069 067	22 105 313	828 056 995	414 994 374	165 069 067	7 552 413
Bank overdraft	(912 369 472)	-	-	-	(912 369 472)	-	-	-

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

15 BORROWINGS

	GROUP		GROUP	
	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Concurrent creditors	759 002	2 221 540	759 002	759 002
less current portion of long term loans	(759 002)	(2 221 540)	(759 002)	(759 002)
	-	**-**	**-**	**-**
15.2 Short term borrowings				
Concurrent creditors	759,002	2 221 540	759,002	759 002
Total interest-bearing borrowings	**759 002**	**2 221 540**	**759 002**	**759 002**
15.3 Opening balance	**2 221 538**	**6 784 868**	**759 002**	**1 342 302**
Interest charged	-	298 256	-	71 151
Loans paid	-	(3 256 410)	-	(654 451)
Effects of inflation	(1 462 536)	(1 605 174)	-	-
Closing balance	**759 002**	**2 221 540**	**759 002**	**759 002**

15.4 Concurrent creditors

The Secondary Scheme of Arrangement with creditors provided for the conversion of amounts owed to concurrent creditors amounting to ZWL 9 171 160 (historical cost) into a five-year loan. The loan was to be paid at the end of five years and attracted interest at a nominal rate of 7% (2022: 7%) per annum. The interest was payable quarterly but the interest for the first two quarters was capitalised. Concurrent creditors had an option to convert their debt to equity at a conversion price of ZWL 0.0125. In the prior year, the amount consisted mostly of amounts that were due to DuPont Agricole de Portugal (DuPont). As at 31 March 2023, the balance outstanding to DuPont is nil. The Scheme of Arrangement, as per its terms of reference, expired in February 2022. As at 31 March 2023, the balance remaining represents amounts owed to creditors which the Group has failed to locate in the last five years. Efforts to trace their whereabouts continue.

15.6 Borrowing powers

In terms of the Company's Articles of Association, at any one time, the amount owing in respect of monies borrowed or secured by the directors, taken together with the aggregate of all similar borrowings of its subsidiary companies (but excluding inter-company) shall not without the sanction of the Company at a General Meeting, by ordinary resolution, exceed an amount twice the consolidated shareholders' equity.

	GROUP		GROUP	
	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Authorised borrowings per Articles of Association	**26 268 005 125**	**21 938 548 266**	**23 524 575 016**	**6 780 505 422**
Bank overdraft	912 369 472	-	912 369 472	-
Loans and borrowings (Note 15.1)	759 002	2 221 538	759 002	759 002
Total borrowings	**913 128 474**	**2 221 538**	**913 128 474**	**759 002**
Borrowing limit headroom	**25 354 876 651**	**21 936 326 728**	**22 611 446 542**	**6 779 746 420**

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

16 COMMITMENTS

16.1 Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio consisting of the Group's surplus offices, residential, and industrial properties. The non-cancellable leases have terms of one year renewable.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2023 are as follows:

	GROUP		GROUP	
	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Within one year	382 282 344	1 935 109 955	382 282 344	661 141 954
Capital expenditure commitments				
Authorised but not contracted for	5 152 643 192	17 948 767 275	5 152 643 192	6 132 304 282

16.2 Contingencies

Labour cases

The Group is involved in a legal dispute where the determination directed Starafrica to make payment of an 11% wage increase for a period of six months (from January to June 2011) in hard currency following a 2018 Labour Court Judgement and Supreme Court appeal in 2021 which was handed down upholding the 11% increase by an arbitrator. The employees in question were retrenched in 2015 and they refused to furnish their bank details to enable Starafrica to make payment when the Supreme Court made its pronouncement in 2021. Starafrica challenged the determination on the basis that SI 33 of 2019 is applicable to the amounts payable to these employees and the matter awaits judgement. There is no significant financial exposure in this matter. The directors, with guidance from the Group's legal advisors, are of the opinion that the claim can be successfully resisted by the Group. This means that it is not probable that there will be an outflow of resources embodying the Group's economic benefits. It is on this premise that the amount has not been recognised in the financial statements of the Group.

There is an appeal which was lodged in the Labour Court on behalf of Starafrica against the determination by a Designated Agent handed down in May 2023. The Designated Agent ordered payment of an 11% increase for the period similar to the above matter to employees who remained in the employ of Starafrica after the 2015 retrenchment. Starafrica is appealing on the basis that it already paid the outstanding amounts and proofs of payment were furnished to the Designated Agent who misdirected herself by not taking them into consideration and determining the real issue between the parties which was the issue of currency. There is no significant financial exposure in this matter.

Tenant eviction

Starafrica Corporation seeks the eviction of a tenant pursuant to an Arbitral Award handed down on to that effect. The eviction has been halted as the tenant has been placed under corporate rescue. An application has since been filed to set aside the resolution to place tenant under corporate rescue. The amount will not materially impact the Group's consolidated financial statements. It is on this premise that the amount has not been recognised in the financial statements of the Group.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

17 DEFERRED TAX

		INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
	Notes	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Opening balance at 1 April		**1 485 549 485**	**1 391 163 803**	**15 784 447**	**133 441 351**	**372 947 827**	**200 345 112**	**5 392 851**	**26 399 716**
Charge/ (credit) to profit and loss		(169 049 572)	(124 815 872)	(14 998 717)	(117 656 903)	(8 563 451	(2 142 072)	(4 607 121)	(21 006 865)
Charge to other comprehensive income		470 838 012	219 201 554	-	-	964 212 727	174 744 788	-	-
Other adjustments		(2)	-	-	-	(52 236)	-	-	-
Closing balance at 31 March		**1 787 337 923**	**1 485 549 485**	**785 730**	**15 784 447**	**1 345 671 769**	**372 947 828**	**785 730**	**5 392 851**
17.1 Analysis of deferred taxation									
Property, plant and equipment		1 870 915 719	1 397 047 313	-	-	1 429 249 565	342 710 528	-	-
Investment property		292 700 000	157 703 446	-	-	292 700 000	53 880 331	-	-
Provisions		(101 808 535)	(211 695 300)	-	-	(101 808 535)	(72 326 973)	-	-
Unrealised exchange loss		(274 469 261)	142 494 026	785 730	15 784 446	(274 469 261)	48 683 942	785 730	5 392 851
Net liability at 31 March		**1 787 337 923**	**1 485 549 485**	**785 730**	**15 784 446**	**1 345 671 769**	**372 947 828**	**785 730**	**5 392 851**
18 PAYABLES AND PROVISIONS									
Trade payables		4 478 716 604	883 269 328	-	-	4 478 716 604	301 774 278	-	-
Provisions	18.1	412 058 617	992 615 424	-	-	412 058 617	339 133 028	-	-
Contract liabilities	4.3	1 337 182 650	730 372 168	-	-	1 331 251 404	249 536 044	-	-
Statutory obligations		206 771 044	176 579 231	-	-	2 059 769 779	60 329 356	-	-
Other payables		2 059 769 779	333 740 029	165 265	483 717	2 059 769 779	114 024 288	165 265	165 265
		8 494 498 694	**3 116 576 180**	**165 265**	**483 717**	**8 488 567 447**	**1 064 796 994**	**165 265**	**165 265**

Trade payables are non-interest bearing and are normally settled on 30 day terms. Statutory obligations comprise of current contributions and payroll deductions towards pay-as-you-earn tax ("PAYE"), National Social Security Authority ("NSSA") pensions, National Employment Council, levies to Standards Development Fund and Zimbabwe Manpower Development Fund ("ZIMDEF")

		INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
	Notes	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
18.1 Provisions									
Leave pay liability		346 753 882	251 437 957	-	-	346 753 882	85 905 290	-	-
Raw materials price variation provision		-	119 332 751	-		-	40 770 752	-	
Audit fees		65 092 943	54 879 760	-	-	65 092 943	18 750 000	-	-
Bonus pay		-	550 054 860	-	-	-	187 929 551	-	-
Other		211 792	16 910 094	-	-	211 792	5 777 435	-	-
Closing balance		**412 058 617**	**992 615 422**	**-**	**-**	**412 058 617**	**339 133 028**	**-**	**-**

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

19 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- The food segment is a manufacturer of sugar products; and
- The property segment manages offices, manufacturing and residential premises on behalf of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices for all transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

Revenue from four customers contributing more than 10 percent of total sales each amounted to ZWL27.07 billion (2022: ZWL20.92 million), arising from sales in the purified sugar segment.

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
Year ended 31 March 2023	**Food ZWL$**	**Properties ZWL$**	**Adjustments ZWL$**	**Consolidated ZWL$**	**Food ZWL$**	**Properties ZWL$**	**Adjustments ZWL$**	**Consolidated ZWL$**
Revenue								
External customer	49 799 631 333	337 536 723	-	50 137 168 056	42 170 080 794	297 056 510	-	42 467 137 304
Purified sugar	45 249 143 014	-	-	45 249 143 014	38 277 949 525	-	-	38 277 949 525
Sugar specialties	4 550 488 319	-	-	4 550 488 319	3 892 131 269	-	-	3 892 131 269
Rentals	-	337 536 723	-	337 536 723	-	297 056 510	-	297 056 510
Inter-segment	3 233 117 678	189 887	(3 233 307 564)	-	2 702 361 796	143 460	(2 702 505 256)	-
Total revenue	**53 032 749 010**	**337 726 610**	**(3 233 307 564)**	**50 137 168 056**	**44 872 442 590**	**297 199 970**	**(2 702 505 256)**	**42 467 137 304**
Results								
Selling and distribution and expenses	(1 710 856 758)	-	-	(1 710 856 758)	(1 597 050 395)	-	-	(1 597 050 395)
Administrative expenses	(6 856 698 492)	(204 292 243)	6 392 603	(7 054 598 132)	(5 758 774 347)	(195 516 787)	5 676 648	(5 948 614 486)
Depreciation	(206 520 606)	(81 396 292)	-	(287 916 898)	(34 578 526)	(27 049 920)	-	(61 628 446)
Finance cost	(49 752 321)	-	-	(49 752 321)	(49 599 967)	-	-	(49 599 967)
Finance income	127 374	-	-	127 374	106 047	-	-	106 047
Expected credit loss	(62 642 840)	(6 949 036)	-	(69 591 876)	(66 137 893)	(10 471 338)	-	(76 609 231)
Fair value adjustment on investment property	-	2 594 756 918	-	2 594 756 918	-	4 740 460 000	-	4 740 460 000
Gain/(loss) on net monetary position	3 269 383 939	(5 696 739 498)	-	(2 427 355 559)	-	-	-	-
Share of profit of associate	-	-	319 373 279	319 373 279	-	-	319 373 279	319 373 279
Segment profit/(loss) before tax	691 618 447	(2 755 115 076)	319 373 279	(1 744 123 350)	(2 883 975 510)	5 114 997 118	319 373 279	2 550 394 887
Income tax expense	542 699 991	(196 467 272)	71 974 781	418 207 501	252 081 477	(224 284 794)	(68 217 942)	(40 421 259)
Assets and liabilities								
Capital expenditure	1 276 445 236	131 028 366	-	1 407 473 602	1 191 554 414	89 739 188	-	1 281 293 602
Operating assets	12 840 704 251	14 098 811 582	(2 440 421 647)	24 499 094 186	11 021 391 796	14 098 811 582	(2 440 421 647)	22 679 781 731

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

19 SEGMENT INFORMATION (CONTINUED)

Year ended 31 March 2023	INFLATION ADJUSTED (AUDITED) Food ZWL$	Properties ZWL$	Adjustments ZWL$	Consolidated ZWL$	HISTORICAL (UNAUDITED) Food ZWL$	Properties ZWL$	Adjustments ZWL$	Consolidated ZWL$
External customer	38 367 396 293	162 249 670	-	38 529 645 963	10 136 745 197	44 203 429	-	10 180 948 626
Purified sugar	35 265 056 122	-	-	35 265 056 122	9 309 885 451	-	-	9 309 885 451
Sugar specialties	3 102 340 171	-	-	3 102 340 171	826 859 746	-	-	826 859 746
Rentals	-	162 249 670	-	162 249 670	-	44 203 429	-	44 203 429
Inter-segment	2 205 961 398	575 118	(2 206 536 516)	-	593 221 586	143 460	(593 365 046)	-
Total revenue	**40 573 357 691**	**162 824 788**	**(2 206 536 516)**	**38 529 645 963**	**10 729 966 783**	**44 346 889**	**(593 365 046)**	**10 180 948 626**
Results								
Selling and distribution expenses	(528 424 139)	-	-	(528 424 139)	(145 244 401)	-	-	(145 244 401)
Administrative expenses	(4 349 284 170)	(101 412 886)	3 878 581	(4 446 818 475)	(1 170 607 310)	(27 354 343)	1 067 478	(1 196 894 175)
Depreciation	(234 170 864)	(41 153 130)	-	(275 323 994)	(8 087 462)	(12 402 871)	-	(20 490 333)
Finance income	(4 231 058)	-	-	(4 231 058)	278 238	-	-	278 238
Finance cost	1 085 683	-	-	1 085 683	(881 632)	-	-	(881 632)
Expected credit loss	(28 636 452)	(3 171 465)	-	(31 807 917)	(13 359 329)	(2 160 410)	-	(15 519 739)
Impairment loss	(2 877 599)	-	-	(2 877 599)	(21 532)	-	-	(21 532)
Fair value adjustment on Investment Property	-	1 131 665 088	-	1 131 665 088	-	737 220 000	-	737 220 000
Gain/(loss) on net monetary position	3 194 207 952	(5 205 086 238)	-	(2 010 878 286)	-	-	-	-
Share of profit of associate	-	-	158 946 565	158 946 565	-	-	54 305 050	54 305 050
Segment profit/(loss) before tax	6 649 158 418	(3 676 495 136)	158 946 565	3 131 609 847	833 922 385	866 822 702	54 305 050	1 755 050 137
Income tax expense	(787 287 997)	(97 846 854)	87 177 378	(797 957 473)	(241 804 166)	(41 540 148)	(20 825 858)	(304 170 172)
Assets and liabilities								
Capital expenditure	840 597 447	356 007 103	-	1 196 604 550	244 876 063	107 701 193	-	352 577 256
Operating assets	14 455 222 007	8 828 572 551	(7 142 920 211)	16 140 874 347	4 446 648 677	3 016 334 907	(2 440 421 647)	5 022 561 937
Operating liabilities	9 952 365 714	1 393 380 040	(6 174 145 540)	5 171 600 214	2 238 668 347	476 056 670	(1 082 415 792)	1 632 309 225

Adjustments and eliminations

Exchange losses, share of profit from associates and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.
Deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on a group basis.
Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries. Inter-segment revenues are eliminated on consolidation.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

19 SEGMENT INFORMATION

Reconciliation of profit	INFLATION ADJUSTED (AUDITED) 2023 ZWL$	2022 ZWL$	HISTORICAL (UNAUDITED) 2023 ZWL$	2022 ZWL$
Segment (loss)/profit	(296 448 787)	3 720 609 653	(597 170 078)	918 751 618
Food	(643 316 291)	3 323 683 638	(971 707 196)	789 148 916
Properties	346 867 504	396 926 014	374 537 118	129 602 702
Fair value adjustment on investment property	2 594 756 918	1 131 665 088	4 740 460 000	737 220 000
Exchange loss	(1 884 824 254)	134 412 202	(1 862 774 394)	45 376 864
Share of profit from associate	319 572 506	158 946 565	319 572 506	54 305 050
Gain/(loss) on net monetary position	(2 427 355 561)	(2 010 878 286)	-	-
Finance income	(49 752 321)	(4 231 058)	(49 599 967)	(881 632)
Finance cost	127 374	1 085 683	106 047	278 238
Profit / (loss) before income tax	**(1 743 924 125)**	**3 131 609 846**	**2 550 594 114**	**1 755 050 138**
Reconciliation of assets				
Segment operating assets	23 170 675 990	15 571 926 360	21 351 363 535	4 828 177 436
Investment in associate	1 328 822 404	568 947 987	1 328 822 404	194 384 501
Group operating assets	**24 499 498 394**	**16 140 874 347**	**22 680 185 939**	**5 022 561 937**
Reconciliation of liabilities				
Segment operating liabilities	9 578 157 909	3 686 050 728	9 572 226 662	1 259 361 398
Deferred tax liabilities	1 787 337 923	1 485 549 485	1 345 671 769	372 947 828
Group operating liabilities	**11 365 495 832**	**5 171 600 213**	**10 917 898 431**	**1 632 309 226**

20 PENSION AND RETIREMENT BENEFITS

20.1 Starafricacorporation Limited Pension Fund

Retirement benefits are provided for eligible employees through an independently administered defined contribution plan, including the National Social Security Authority (NSSA).

20.2 Pension cost charged to the profit or loss during the year

	INFLATION ADJUSTED (AUDITED) 2023 ZWL$	2022 ZWL$	HISTORICAL (UNAUDITED) 2023 ZWL$	2022 ZWL$
Group pension scheme - defined contribution plan (note 21.5)	-	-	-	-
National Social Security- defined contribution plan (note 21.5)	271 296 405	25 050 540	252 062 312	6 579 772
	271 296 405	25 050 540	252 062 312	6 579 772

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

21 RELATED PARTY DISCLOSURES

21.1 Parent Company

Starafrica Corporation Limited is listed on the Zimbabwe Stock Exchange and therefore has multiple shareholders. Takura III (Private) Limited and Investors in Africa - Takura Ventures (Private) Limited are the major shareholders with 57.4% (2022: 57.4%) shareholding.

21.2 Parties with significant influence over the Group

The entities and individuals known to be significant shareholders (owning more than 5% of a class of equity) of Starafrica Corporation Limited are shown on page 53 of this report.

Takura Group entities are considered to be related parties of the Group by virtue of its 57.4% equity shareholding in Starafrica Corporation Limited. Details of the transactions are shown below.

21.3 Related party transactions and balances

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between Group and other related parties are disclosed below.

		INFLATION ADJUSTED (AUDITED)			HISTORICAL (UNAUDITED)		
2023		**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**	**ZWL$**
Related Party (Entities under common control as Starafrica)	**Transaction type**	**Amount transacted**	**Amounts owed by related parties**	**Amounts owed to related parties**	**Amounts transacted**	**Amounts owed by related parties**	**Amounts owed to related parties**
Lobel's Holdings (Pvt) Ltd	Sale of goods	684 748 302	8 952 061	-	589 008 015	8 952 061	-
Cairns Foods Ltd	Sale of goods	1 094 837 619	11 728 656	-	937 848 941	11 728 656	-
Talwant Trading (Pvt) Ltd t/a Food Lover's Market Zimbabwe	Sale of goods	15 180 589	-	-	13 074 977	-	-
MC Meats (Pvt) Ltd	Sale of goods	73 126 472	12 474 175	-	61 809 928	12 474 175	-
Intro-wise Catering (Pvt) Ltd	Sale of goods	23 678 668	-	45 703 591	19 327 163	-	45 703 591
Takura Management Services (Private) Ltd	Management fees	(752 057 521)	-	1 619 268 780	(637 007 060)	-	1 619 268 780
		1 139 514 129	**33 154 892**	**1 664 972 371**	**984 061 964**	**33 154 892**	**1 664 972 371**
Related party (Entities under common control as Starafrica)"							
Lobel's Holdings (Pvt) Ltd	Sale of goods	458 337 622	42 159 538	-	123 614 569	14 404 060	-
Cairns Foods Ltd	Sale of goods	779 838 091	107 703 156	-	202 411 448	36 797 431	-
Talwant Trading (Pvt) Ltd t/a Food Lover's Market Zimbabwe	Sale of goods	11 275 795	-	-	2 994 499	-	-
MC Meats (Pvt) Ltd	Sale of goods	51 626 685	-	-	12 889 495	-	-
Intro-wise Catering (Pvt) Ltd	Sale of goods	3 022 948	-	-	962 370	-	-
Takura Management Services (Private) Ltd	Management fees	(342 385 140)	-	308 553 904	111 989 734	-	105 419 297
		961 716 001	**149 862 694**	**308 553 904**	**454 862 115**	**51 201 491**	**105 419 297**

Transactions with related parties are carried out at arm's length. The amounts outstanding are unsecured and will be settled on normal terms. No expense has been recognised in the current or prior periods for expected credit losses in respect of the amounts owed by related parties.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

21 RELATED PARTY DISCLOSURES

21.4 Remuneration of directors and other key management

The remuneration of directors and other members of key management during the year was as follows:

	GROUP		GROUP	
	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
Transactions with other related parties	**2023 ZWL$**	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**
Short term employee benefits	672 016 128	424 708 631	576 564 182	110 704 837
Post employment pension and medical benefits	48 923 955	532 580	47 536 517	139 382
Total compensation paid to key management personnel	720 940 083	425 241 211	624 100 699	110 844 219
21.5 Amounts due from related parties				
Group pension scheme - defined contribution plan	-	-	-	-
National Social Security- Defined contribution plan	271 296 405	25 050 540	252 062 312	6 579 772
	271 296 405	**25 050 540**	**252 062 312**	**6 579 772**

21.6 Amounts due from related parties

	INFLATION ADJUSTED (AUDITED)				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2023 ZWL$	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**	**2023 ZWL$**	**2022 ZWL$**
Starafrica Operations (Private) Limited (SAO)								
Opening balance	**-**	**-**	**1171 628 478**	**1306 706 946**	**-**	**-**	**400 293 915**	**258 515 764**
SAO working capital funding	-	-	510 033 452	975 081 310	-	-	302 972 284	229 691 646
Tax and other administration paid by SAO	-	-	(147 996 453)	(373 208 201)	-	-	(87 913 495)	(87 913 495)
Effects of inflation	-	-	(910 599 426)	(736 951 577)	-	-	-	-
Closing balance	**-**	**-**	**623 066 051**	**1171 628 478**	**-**	**-**	**615 352 704**	**400 293 915**

These are amounts owed by the operating subsidiary of the Company, Starafrica Operations (Private) Limited. The Company's cash inflows mainly comprise of dividends income from Tongaat Hulett Botswana (Proprietary) Limited. At times, the cash is then transferred and utilised by Starafrica Operations (Private) Limited in the purchase of raw materials and other refining consumables. This, consequently, creates intercompany balances due from Starafrica Operations (Private) Limited. The amounts due from Starafrica Operations (Private) Limited have got no stipulated payment terms as they are recovered through payments that Starafrica Operations (Private) Limited makes on behalf of the Company.

Amount due on Quarterly Payment Dates ("QPDs"), audit fees and legal fees are cash outflows which Starafrica Operations (Private) Limited makes on behalf of the Company which significantly reduces the total balance due to the Company. Such an operating approach has resulted in the above amount becoming a revolving balance which constantly changes from time to time. The amount is fully recoverable to the Company as the quantum of payments Starafrica Operations (Private) Limited makes in a year on behalf of the Company can be significant. As a result, this amount due has been classified as a current asset in the Company's statement of financial position. In turn, the amount is also recognised as a current liability by Starafrica Operations (Private) Limited as it is payable on demand whenever the Company has some cash outflow needs. As a result, Starafrica Operations (Private) Limited always has an immediate obligation to settle the Company's cash needs as and when they arise resulting in this liability being recognised as current in its books.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

22 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations.

The Group has trade and other receivables and cash which arise directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Audit and Risk Committee that advises on the financial risks and the appropriate financial risk governance framework for the Group. The Audit and Risk Committee provides assurance to the Group's senior management that the Group's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

22.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: foreign currency risk and interest risk. The Group has no interest-bearing borrowing which are subject to interest rate risk.

The Group has a bank overdraft facility that bears interest on the utilised balance . As a result, there is no risk as there is no volatility of this interest rate.

The Group does not have any other fixed term interest-bearing liabilities.

The foreign currency risk is presented below.

22.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

The Group has transactional currency exposures. The exposure is managed through continuously seeking for foreign currency to pay outstanding balances and commitments. Because of investments in Botswana, the Group's statement of financial position can be affected significantly by movements in the ZWL/BWP exchange rates respectively.

The Group has a 33.33% (2022: 33.33%) investment in Tongaat Hulett Botswana (Proprietary) Limited whose primary trading currency is the pula. The value of the Group's share in net assets. is susceptible to changes in the exchange rates between the Botswana pula ("BWP") and the ZWL which is the Group's reporting currency. The changes are reported under other comprehensive income (OCI) and non-current assets.

The Group also has US$ denominated assets and liabilities. These balances are therefore susceptible to changes in the exchange rates between the US$ and the ZWL which is the Group's reporting currency. The changes are included in profit or loss and ultimately in equity.

Sensitivity analysis – method and assumptions

Method

1. Movement between the ZWL exchange rate against other currencies was analysed and it was established that it had depreciated by close to 572.8% from 31 March 2022 when the Reserve Bank of Zimbabwe ("RBZ") foreign exchange auction rate was at ZWL 138.19790 to the RBZ foreign exchange auction rate of ZWL 929.8618 to the US$ at 31 March 2023. The exchange rate as shown in the below table shows a fluctuating rate of currency depreciation quarterly during the year.

Date	Exchange rate ZWL$:US$1	Currency Depreciation
31-Mar-22	138.1979	-
30-Jun-22	370.9646	168%
30-Sep-22	621.8922	68%
31-Dec-22	684.3339	10%
31-Mar-23	929.8618	36%

Date	Exchange rate ZWL$:US$1	Currency Depreciation
31-Mar-22	12.4767	-
30-Jun-22	30.1447	142%
30-Sep-22	46.4409	54%
31-Dec-22	52.6444	13%
31-Mar-23	71.3309	35%

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

22 FINANCIAL RISK MANAGEMENT

22.2 Foreign Currency Risk (continued)

Method (continued)

2. The above movement was therefore adopted as a base case scenario and a movement of 100% as a worst case scenario. The best-case scenario was assumed to be a 50% depreciation of the ZWL.

3. Foreign denominated monetary assets and liabilities balances as at 31 March 2023 were taken and translated at the closing rate of ZWL71.3309: BWP1 and ZWL929.8618/US$1 for the foreign investments and foreign currency denominated assets and liabilities respectively.

4. The assumed percentage movements as stipulated in 2 above were then applied on the closing balance to show the possible outcomes.

Assumptions

- The foreign investment will continue being held in the next financial year ending 31 March 2024
- The foreign based assets and liabilities will be outstanding in the financial year ending 31 March 2024
- Best and worst case scenarios, as detailed in 2 above

The tables below demonstrate the sensitivity to a reasonable possible change in ZWL against other currencies

22.2.1 ZWL$ against BWP

The sensitivity is based on the Group's share of Tongaat Hulett Botswana's net assets as at 31 March:

	2023 BWP	2022 BWP
Investment in Associate	**18 629 000**	**16 075 228**

Year	Investment in Associate	Change in BWP rate	Effect on OCI ZWL$	Effect on Non-current assets ZWL$
2023	BWP 18 629 000	+100%	1 328 822 405	1328 822 405
2023	BWP 18 629 000	+50%	664 411 202	664 411 202

Year	Investment in Associate	Change in BWP rate	Effect on OCI ZWL$	Effect on Non-current assets ZWL$
2022	**BWP 16 075 228**	+100%	568 979 667	**568 979 667**
202	BWP 16 075 228	+50%	284 489 832	284 489 832

22.2.2 ZWL$ against USD

The sensitivity is based on the Group's exposure to all USD denominated assets and liabilities as at 31 March.

	2023 US$	2022 US$
Cash and bank balance	645 525	822 149
Cash and bank balance	212 336	645 525
Receivables	1 236 324	13 171
Loans and borrowings	(5 084 949)	-
Total	**(3 636 289)**	**658 696**

Year	US$ denominated assets and liabilities	Change in US$ rate	Effect on profit or loss ZWL	Effect on current assets ZWL
2023	US$ (3 636 289)	+100%	(3 381 246 598)	(3 381 246 598)
2023	US$ (3 636 289)	+50%	(1 690 623 299)	(1 690 623 299)

Year	US$ denominated assets and liabilities	Change in US$ rate	Effect on profit or loss ZWL	Effect on current assets ZWL
2022	**US$ 658 696**	**+100%**	**266 439 037**	**266 439 037**
2022	US$ 658 696	+50%	133 219 518	133 219 518

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

22 FINANCIAL RISK MANAGEMENT

22.2.3 The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	GROUP		GROUP	
	INFLATION ADJUSTED (AUDITED)		HISTORICAL (UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Net foreign exchange gain/(loss) included in other gains/(losses)	(1 767 500 744)	134 412 202	(1 745 450 884)	45 376 864
Exchange losses on foreign currency borrowing included in finance costs	(117 323 510)	-	(117 323 510)	-
Total net foreign exchange (losses) recognised in profit before income tax for the period	**(1 884 824 254)**	**134 412 202**	**(1 862 774 394)**	**45 376 864**

22.3 Liquidity Risk

Liquidity risk for the Group arises from short-term borrowings as well as day-to-day operational requirements in the form of obligations to the Group's creditors and tax payable to the authorities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group assesses the maturity profiles of both its financial investments and financial assets e.g. trade receivables, other financial assets and projected cash flows from operations with a view to match them with settlement of liabilities as they fall due. This is done through a liquidity and working capital model.

No contract modifications have been done on any of the contractual obligations considering COVID-19.

The table below summarises the maturity profile of the Group's financial assets and financial liabilities at 31 March based on contractual undiscounted payments

INFLATION ADJUSTED (AUDITED)	Less than 4 months ZWL$	4 to 12 Months ZWL$	More than 12 months ZWL$	Total ZWL$
2023				
Bank overdraft	(912 369 472)	-	-	(912 369 472)
Short-term borrowings	(759 002)	-	-	(759 002)
Trade and other payables	(8 488 567 447)	-	-	(8 488 567 447)
Trade and other receivables	2 650 154 933	-	-	2 650 154 933
Cash and cash equivalents	828 056 995	-	-	828 056 995
	(5 923 483 993)	**-**	**-**	**(5 923 483 993)**
2022				
Short-term borrowings	(2 221 538)	-	-	(2 221 538)
Trade and other payables	(3 116 576 179)	-	-	(3 116 576 179)
Trade and other receivables	1 253 318 618	-	-	1 253 318 618
Cash and cash equivalents	1 214 655 551	-	-	1 214 655 551
	(3 118 797 717)	**-**	**-**	**(650 823 548)**

HISTORICAL (UNAUDITED)	Less than 4 months ZWL$	4 to 12 Months ZWL$	More than 12 months ZWL$	Total ZWL$
2023				
Bank overdraft	(912 369 472)	-	-	(912 369 472)
Short-term borrowings	(759 002)	-	-	(759 002)
Trade and other payables	(8 488 567 447)	-	-	(8 488 567 447)
Trade and other receivables	2 650 154 933	-	-	2 650 154 933
Cash and cash equivalent	828 056 995	-	-	828 056 995
	(5 923 483 993)	**-**	**-**	**(5 923 483 993)**
2022				
Short-term borrowings	(759 002)	-	-	(759 002)
Trade and other payables	(1 064 796 994)	-	-	(1 064 796 994)
Trade and other receivables	428 203 844	-	-	428 203 844
Cash and cash equivalents	414 994 374	-	-	414 994 374
	(222 357 778)	**-**	**-**	**(222 357 778)**

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

22 FINANCIAL RISK MANAGEMENT

Working capital management

The Group held ZWL1,682,313,418 worth of inventory as at 31 March 2023. This inventory is fast moving with an inventory turnover rate of just 15.15 days for the year ended 31 March 2023. If an assumption is made that all this inventory is sold to debtors, the debtor collection period for the year ended 31 March 2023 was 14.2 days. This translates to a total inventory-to-cash transformation period of 29.35 days. This, therefore, adds an additional ZWL1,682,313,418 of liquid assets to the Group's balance sheet within the first month of the ensuing period after 31 March 2023. This additional liquidity ensures that the business is able to settle its daily working capital requirements as and when they fall due.

22.4 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's financial assets which are subject to credit risk are mainly trade receivables and cash and cash equivalents. It is the Group's policy to only trade with recognised and credit worthy third parties. About 80% of the business is on a credit basis and the customers are subject to credit verification procedures. In addition, trade receivables' balances are monitored on an ongoing basis with the result that the Group's exposure to expected credit losses is not significant. trade receivables which are not impaired are those still within their settlement terms or those with an alternative settlement plan that is being adhered to. An expected credit losses analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

The provision matrix is initially based on the Group's Historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. the Consumer Price Index and the Non-Performing Loans Ratio) are expected to deteriorate over the next year which can lead to an increased number of defaults in the manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group's historical credit loss experience and forecast of economic conditions may also not be representative of the customer's actual default in the future.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 13.

The Group does not take collateral for the amounts extended to customers. Cash resources are placed with various approved financial institutions. The financial institutions are of a high credit standing.

Set out below is the provisioning matrix for financial years 2023 and 2022;

INFLATION ADJUSTED (AUDITED)

31 March 2023	Current	30-59 days	60-89 days	90-120 days	120+ days	Total
Expected gross carrying amount at default (ZWL)	526 788 587	1 366 333 516	38 283 027	79 999 808	25 189 851	2 036 594 789
Expected credit loss rate (%)	0.02%	2%	86%	100%	100%	
Expected credit loss (ZWL)	**96 472**	**33 056 589**	**32 904 961**	**79 999 808**	**25 189 851**	**171 247 681**

31 March 2022	Current	30-59 days	60-89 days	90-120 days	120+ days	Total
Expected gross carrying amount at default (ZWL)	265 141 389	218 702 522	155 219 150	22 415 917	8 948 000	670 426 978
Expected credit loss rate (%)	1%	3%	15%	100%	100%	
Expected credit loss (ZWL)	**3 568 803**	**5 839 357**	**23 384 780**	**22 415 917**	**8 948 000**	**64 156 857**

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

22 FINANCIAL RISK MANAGEMENT

HISTORICAL COST (UNAUDITED)

31 March 2023	Current	30-59 days	60-89 days	90-120 days	120+ days	Total
Expected gross carrying amount at default (ZWL)	526 788 587	1 366 333 516	38 283 027	79 999 808	25 189 851	2 036 594 789
Expected credit loss rate (%)	0%	2%	86%	100%	100%	
Expected credit loss (ZWL)	96 472	33 056 589	32 904 961	79 999 808	25 189 851	171 247 681

31 March 2022	Current	30-59 days	60-89 days	90-120 days	120+ days	Total
Expected gross carrying amount at default (ZWL)	90 587 150	74 721 032	53 031 556	7 658 533	3 057 138	229 055 409
Expected credit loss rate (%)	1%	3%	15%	100%	100%	
Expected credit loss (ZWL)	**1 219 303**	**1 995 052**	**7 989 551**	**7 658 530**	**3 057 138**	**21 919 574**

22.5 Interest Risk

This is the risk that the fair value of future cash flows of financial instruments will fluctuate because of changes in market interest rates. The Group had, at 31 March 2023, an outstanding overdraft with an applicable base interest rate of 7% per annum. Interest accrues at the USD base interest rate plus a margin of 1% per annum (effective interest rate of 8% per annum), which bring exposure to interest risk. In the 2022 financial year, the Group did not have any interest bearing debt obligations.

22.6 Capital Management

Capital includes equity attributable to the equity holders of the parent.

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.

No changes were made in the objectives, policies or processes during the year ended 31 March 2023.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 40% (2022: 40%). The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents. Capital includes equity attributable to the equity holders of the parent.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

22 FINANCIAL RISK MANAGEMENT

	INFLATION ADJUSTED (AUDITED)		HISTORICAL(UNAUDITED)	
	2023 ZWL$	2022 ZWL$	2023 ZWL$	2022 ZWL$
Borrowings-short term (Note 15.2)	759 002	2 221 540	759 002	759 002
Bank overdraft	912 369 472	3 116 576 180	912 369 472	1 064 796 994
Net debt	**913 128 474**	**3 118 797 720**	**913 128 474**	**1 065 555 996**
Equity	13 134 002 562	10 969 274 133	11 762 287 508	3 390 252 711
Capital and net debt	**14 047 131 036**	**14 088 071 853**	**12 675 415 982**	**4 455 808 707**
Gearing ratio	7%	22%	7%	24%

22.7 Fair values of financial instruments

Fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amount because of their short-term nature.

In terms of IFRS 13 the fair value of a liability reflects the effect of non-performance risk. Non-performance risk includes, but is not limited to, the Group's own credit risk and settlement risk. Management could not determine the adjustment required to the estimated market related interest rate above for non-performance risk. Management could not reliably determine the Group's credit spread as there are no quoted prices for corporate bonds of similar credit quality to the Group's loans and borrowings. Furthermore, there are no borrowers of a similar credit rating as the Group's. Accordingly, the fair value of the Company's liabilities could not be accurately determined.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

23 GOING CONCERN

The Group's revenue has increased from ZWL 38.53 billion recorded last year to ZWL 50.14 billion in the current year largely due to an increase in average selling prices to counter upward reviews on prices of the main raw materials. The volumes sold maintained fairly the same as the Group sold 82,321 tonnes of granulated sugar as compared to the prior year of 82,500 tonnes. The Group has grown the net asset position to ZWL 12.39 billion, up from ZWL 10.97 billion in 2022. The Company continues to make significant progress in its plans to retool and refurbish the business and is on track to achieve the budgeted production and sales throughput of 65,000 tonnes for the 2024 financial year.

Demand for granular sugar and specialties in the market remains strong, which will ensure that all the produce of the Company in the foreseeable future will be absorbed into the local market. The plant continued to be certified by The Coca Cola Company ("TCCC") as well as Food Safety certification under the FSSC 22000 series. The certifications enable the Group to supply products to TCCC franchisees in the Southern Africa region and beyond. The Group also continues to hold DQS and ISO:9001 Certifications which will enable it to continue operating as a going concern into the future. The Company continues to invest in plant refurbishment with a view to boost capacity utilisation. In the financial year 2022, the business incurred a total of USD1,347,286 (ZWL1.41 billion) on capital equipment. This equipment includes effluent treatment plant, product and coal weighers, a dust extraction system (white house and packing station), boiler and boiler chimney refurbishments, a 1000 KV stand-by generator, and extension of despatch bay shade structure. The Company continues to access foreign currency from the Reserve Bank of Zimbabwe Foreign Currency Auction Trading System which has played a pivotal role in providing foreign currency to fund the refurbishment drive of the business. These are expected to result in improved productivity and sales volumes into the foreseeable future. All key contracts with suppliers and customers remain in place and no cancellations are expected in the foreseeable future. The 2022/2023 farming season achieved high yields of sugar cane in Zimbabwe which are expected to augment the raw sugar supply situation in the country. The Company will source its primary raw material, raw sugar, from Zimbabwe Sugar Sales, backed up by embarking imports which will ensure uninterrupted cost-effective operations at the refinery. The business will continue to assess and anticipate the full scale impact of the Statutory Instrument (SI) 80 of 2023 - Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 267).

Management anticipates that the business will be able to generate positive cash flows into the future regardless of the implications of the SI 80 of 2023 which suspended import duty on importation of sugar. The ability of the Company to continue generating cash flows into the future has not been affected by these issues. As per the 2024 capital and financial expenditure budget, demand for Starafrica products remains high both domestically and in the region which is expected to result in a total of ZWL5.3 billion in cash generated from operating activities for the full year of 2024. Management performed a scenario analysis and noted that, in the worst case scenario, brought about by the anticipated effects of SI 80 of 2023, the downside impact would still have the business earning positive cash flows to the tune of ZWL2.2 billion from operating activities. The business remains in a sound financial position with sufficient liquidity to settle its obligations as they fall due.

An impact assessment of the current and historical effects of SI 80 of 2023 minimal impact in the foreseeable future. Although this could threaten the business's market position and market share, it is conceivable that customers will find it difficult to import sugar from very competitive sources like Brazil and India in huge quantities, as this would require huge working capital outlays, and would also expose the imported sugar to high risk of contamination enroute to Zimbabwe. This SI will not create more competition from the COMESA region as sugar imports amongst COMESA countries do not attract duty payments. Therefore, it is presumed that the projected 65,000 tonnes of production and sales will be achieved in the year 2024.

The directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The directors have engaged themselves to continuously assess the ability of the Group to continue operating as a going concern and to determine the continued appropriateness of the going concern assumption that has been applied in the preparation of these financial statements.

Impact of the Russia-Ukraine Conflict

Global economic shocks arising from the Russia-Ukraine conflict triggered increases in grain and oil prices towards the end of 2022 financial year and beyond. This has had the direct effect of increasing costs of production across industry as oil price escalations have affected all businesses which rely on the transportation of raw materials or finished goods. The direct effect on Starafrica, however, has not been significant, save for the downstream effect of price escalations on costs of raw materials, which suppliers have increased in varying degrees in response to these global shocks.

None of the directors have any links to Russia, which have caused, or are likely to cause, sanctions being imposed on those directors or on the Company. The Russia-Ukraine conflict is not expected to have direct impact on the operations of Starafrica Corporation Limited.

Notes To The Financial Statements

FOR THE YEAR ENDED 31 MARCH 2023

24 EVENTS AFTER REPORTING DATE

Suspension of duty on importation of basic commodities.

On 12 May 2023, the Government promulgated Statutory Instrument (SI) 80 of 2023 titled Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 267), which suspends import duty on basic commodities, including brown and refined sugar.

Management assessed the impact of the SI 80 of 2023 and ascertained that although this could threaten the business's market position and market share, it is conceivable that customers will find it difficult to import sugar from very competitive sources like Brazil and India in huge quantities, as this would require huge working capital outlays, and would also expose the imported sugar to high risk of contamination enroute to Zimbabwe. This SI will not create more competition from the COMESA region as sugar imports amongst COMESA countries do not attract duty payments. Therefore, it is presumed that the projected 65,000 tonnes of production and sales will be achieved in the year 2024.

Shareholder Information

	SHAREHOLDERS ANALYSIS AS AT 19 MARCH 2023	SHARES	% OF SHARES
1	INVESTORS IN AFRICA-TAKURA VEN	2,070,213,631	43.05
2	NSSA - NATIONAL PENSION SCHEME	1,491,505,021	31.02
3	TAKURA III (PRIVATE) LIMITED	690,071,211	14.35
4	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	55,676,501	1.16
5	MORGAN AND CO MIZ ETF ACC	39,087,700	0.81
6	STANBIC NOMINEES (PRIVATE) LIMITED	31,477,080	0.65
7	ZSR INVESTMENTS (UK) LIMITED	29,359,200	0.61
8	HOMEGUARD SERVICES (PVT) LTD,	16,884,824	0.35
9	MASAWI, ROSIAN TENDAI	15,819,985	0.33
10	SHAURAI INVESTMENTS	15,290,200	0.32
11	GLOWSURGE ENTERPRISES,	14,348,600	0.30
12	MOYO, NEPSON	13,601,656	0.28
13	THE ROY TURNER TRUST	13,415,100	0.28
14	COLOSSUS INVESTMENTS (PVT) LTD	13,126,750	0.27
15	OLD MUTUAL ZIMBABWE LIMITED	12,782,940	0.27
16	GODFREY MUTSEYEKWA FAMILY TRST	12,621,800	0.26
17	LUFBAL ENTERPRISES (PVT) LTD	11,155,100	0.23
18	COAL BRICK MINE (PVT) LTD,	10,583,995	0.22
19	ZB LIFE ASSURANCE LIMITED	9,232,152	0.19
20	SOUTHERN TRUST SEC-WAREHOUSING	7,852,100	0.16
21	MINING INDUSTRY PENSION FUND	7,569,274	0.16
22	TSL LIMITED ,	5,869,823	0.12
23	PUBLIC SERVICE PF - PLATINUM	5,512,700	0.11
24	CORPSERVE NOMINEES PVT LTD	5,707,283	0.12
25	WORLDOVER CAPITAL LTD	5,086,040	0.11
26	FAENSA FRISCO LIMITED - NNR	4,882,277	0.10
27	TUCANA SOLUTIONS (PVT) LTD	4,877,500	0.10
28	NAIK, SHIRLEY BRIDGET	4,845,546	0.10
29	KATSIDZIRA,, LEOLIN	4,833,203	0.10
30	LYNATECH MARKETING (PVT) LTD,	4,607,213	0.10

Number of top holders	**30**
Total number of holders	**4,318**
Shares	**4,627,896,405**
% of top total shares	**96.24**
Total number of shares	**4,808,662,335**

Notice To Shareholders

Notice is hereby given that the 89th Annual General Meeting of starafricacorporation limited will be held as a virtual meeting via Microsoft Teams on 14 December 2023 at 11am for the purposes listed hereunder. Shareholders will be asked to connect and attend the meeting via the link: **https://polling.fts-net.com/**

1. Virtual Annual General Meeting
To consider and, if deemed fit, approve the holding of the Annual General Meeting electronically (Virtually).

2. Financial Statements
To receive and approve the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2023.

3. Re-election of Directors
To elect Directors who retire by rotation in terms of Article 100 of the Articles of Association. Dr. R.J. Mbire and Mr. G.T. Nyamayi retire by rotation and, being eligible, offer themselves for re-election. The election of Directors will be made through separate resolutions.

4. Resignation of Directors
To note the resignation of Ms. R. Magundani with effect from 30 June 2023.

5. Directors' Remuneration
To approve fees accrued to directors for the year ended 31 March 2023.

6. Auditors
6.1 To approve the remuneration of the independent auditors for the year ended 31 March 2023.
6.2 To appoint Messrs. Grant Thornton as independent auditors of the Company for the ensuing year.

By Order Of The Board

A.J Musemburi
COMPANY SECRETARY

49 Douglas Road, Workington
P O Box ST396, Southerton, Harare

22 November 2023

Every member entitled to attend and vote at this Meeting is entitled to appoint one or more proxies to attend and vote and speak instead of him. A proxy need not be a member of the Company. A member wishing to appoint a proxy must lodge the completed proxy form at the Registered Office of the Company at least 48 hours before the meeting.

Form Of Proxy

I / We .... (please print) being a member of starafricacorporation limited, hereby appoint the Chairman of the Company, or failing him, the chairman of the meeting, or failing him

.... of .... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held virtually via Microsoft Teams on Thursday 14 December 2023 at 11:00 hours and at any adjournment thereof.

Signed this .... day of 2023

Signature

Notes

In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24.31), as amended, any member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy, who need not be a member, to attend and speak and, on a poll, vote in his stead. Proxies must be lodged with the Company Secretary at the Company's registered office at least 48 hours before the meeting.

Notes

Notes

starafricacorporation
limited

49 Douglas Road, Workington,
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Southerton, Harare