



star**africa**corporation
limited



ANNUAL
REPORT 2022



G R O W I N G
OUR STAR
FOODPRINT

ABOUT THIS REPORT

Starafrika Corporation Limited, a company listed on the Zimbabwe Stock Exchange (ZSE), is pleased to present its annual report for the year ended 31 March 2022.

REPORTING SCOPE

The report contains information about the operations of Starafrika 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 Starafrika 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 32 to 37.

BOARD RESPONSIBILITY AND APPROVAL OF THIS REPORT

The Board of Directors of Starafrika 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 20 September 2022.

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. AJ Musemburi, the Company Secretary at amusemburi@starafrika.co.zw.



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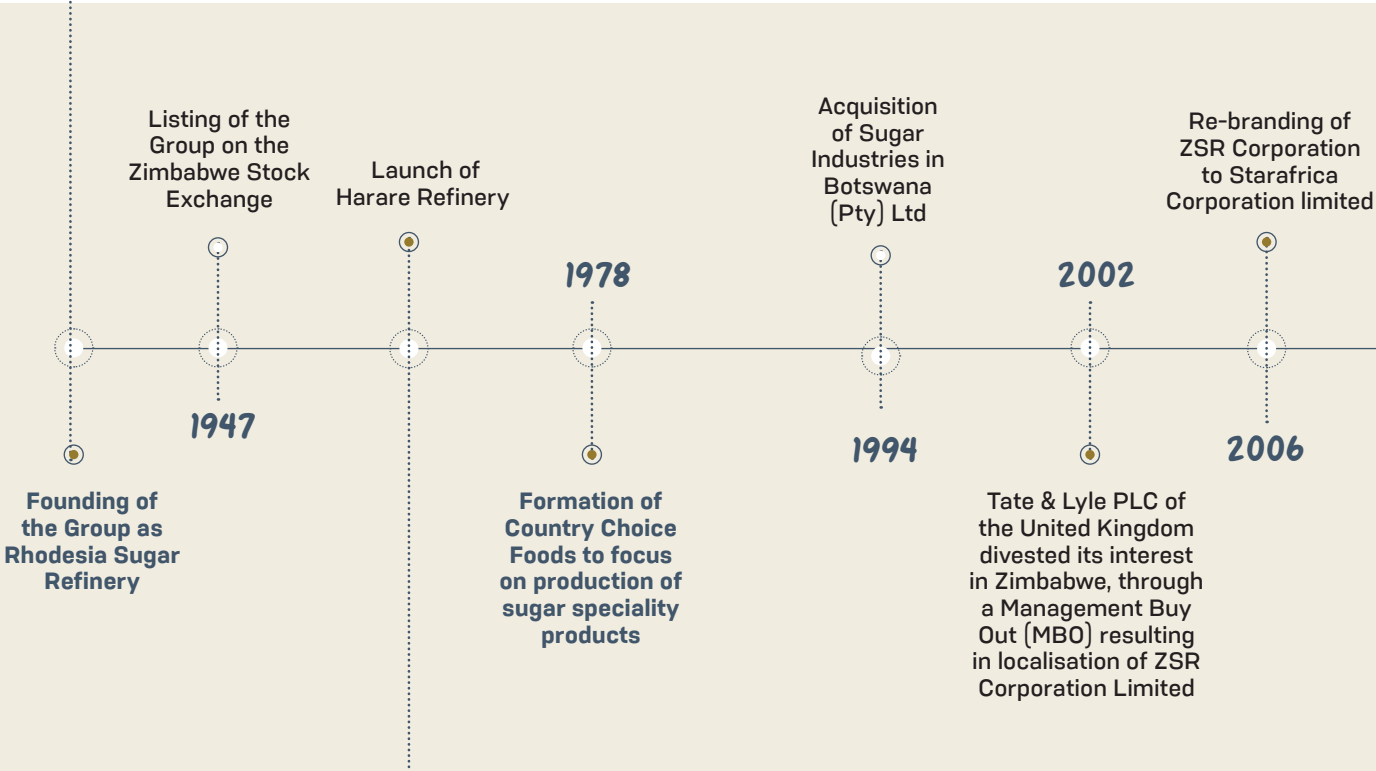
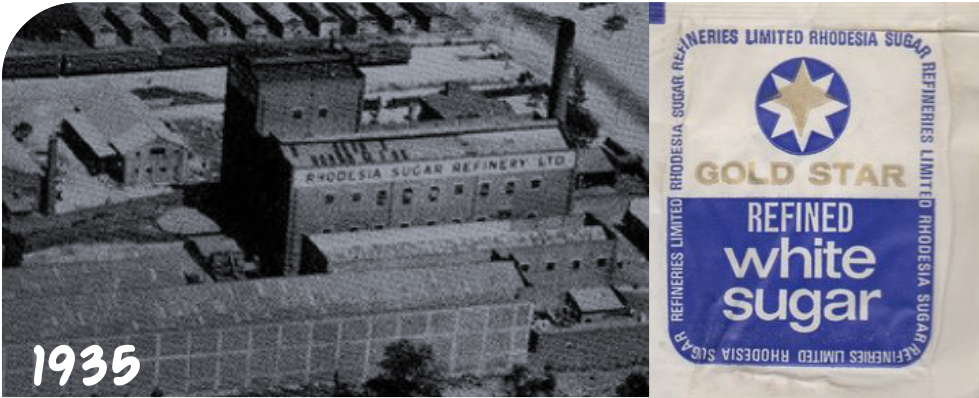
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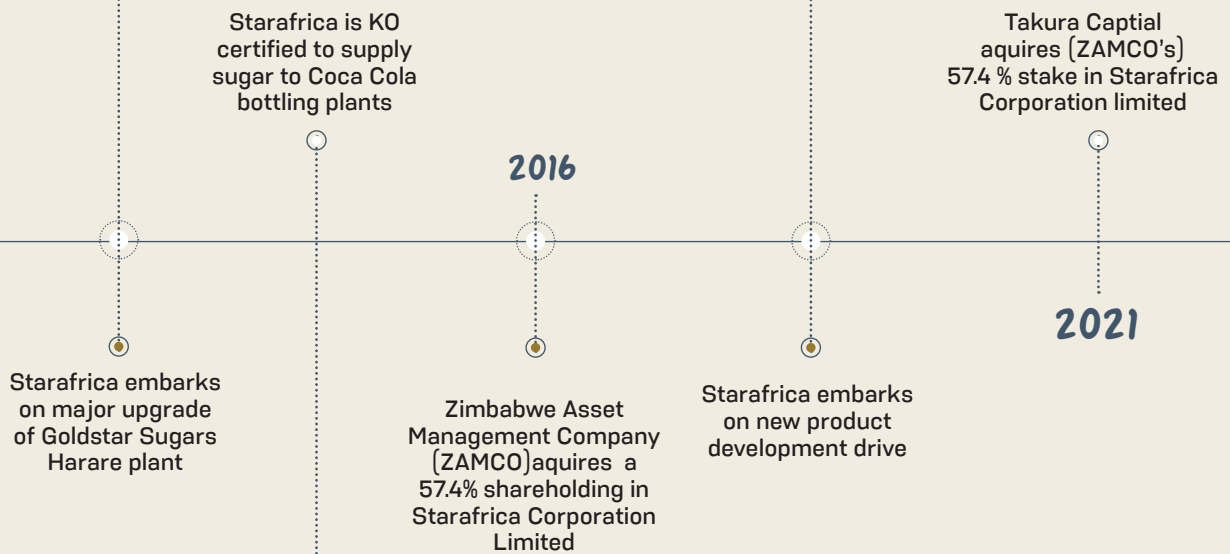
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OUR HISTORY



OUR HISTORY



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.

OUR VALUES



Accountability



Integrity



Innovation



Care



Performance
Driven



Ethical



GOLDSTAR SUGARS



GOLDSTAR SUGARS

- Strong well-established brand commanding a leading market position.
- Currently markets Goldstar white sugar throughout Zimbabwe.
- Goldstar Sugars products are used by leading beverage producers, confectioners and sweet manufacturers, as well as in the manufacture of sugar-based pharmaceuticals.
- 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 certification as well as ISO 9001:2015 certification.

OUR VALUE CHAIN



Sugar Purification

GOLDSTAR SUGARS (GSS)

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



Speciality 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, pure honey.

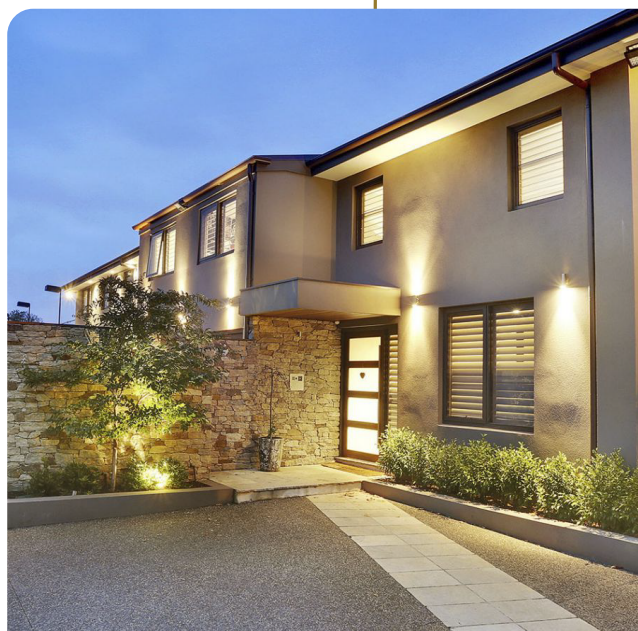
OUR VALUE CHAIN



Associate

TONGAAT HULLET BOTSWANA (ASSOCIATE)

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



Property Management

SILVER STAR PROPERTIES

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

DIRECTORATE & PROFESSIONAL ADVISORS

BOARD OF DIRECTORS

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

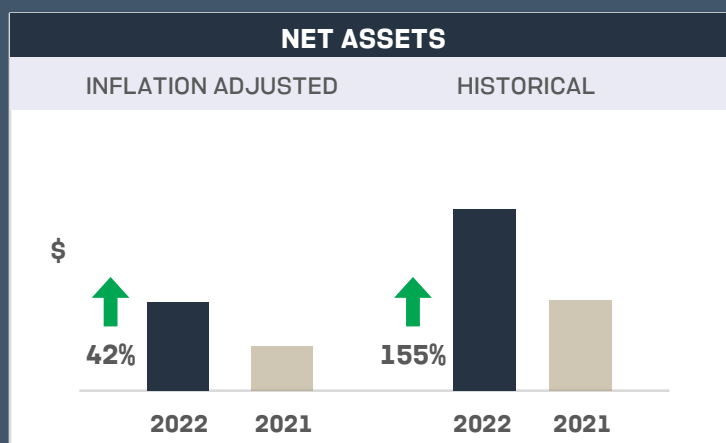
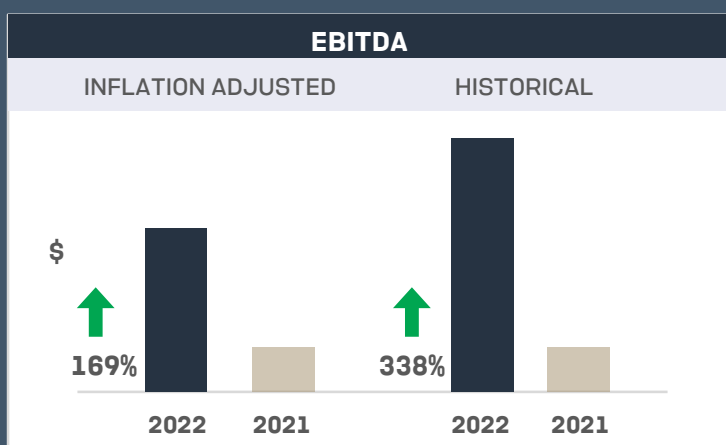
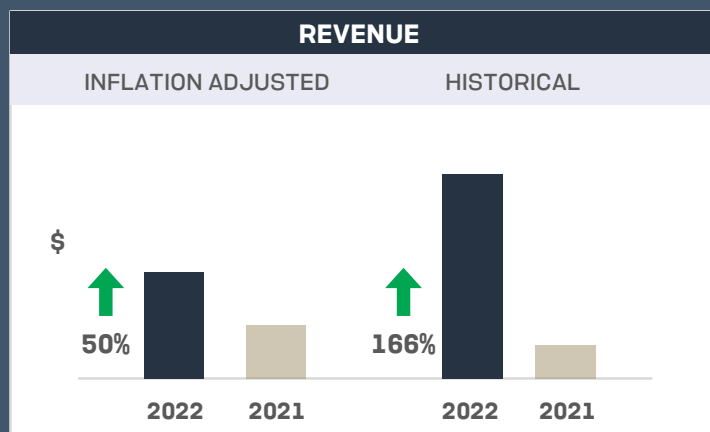
DIRECTORATE & PROFESSIONAL ADVISORS

PROFESSIONAL ADVISORS

REGISTERED OFFICE:	49 Douglas Road, Workington, Harare, Zimbabwe
AUDITORS:	PwC Chartered Accountants (Zimbabwe) Building 4 Arundel Office Park, Norfolk Rd, Mount Pleasant, Harare, Zimbabwe
BANKERS:	ZB Bank Limited Head Office. ZB Financial Holdings. 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.
ATTORNEYS:	Coghlan Welsh & Guest 2 Central Ave, Harare, Zimbabwe. Dube, Manikai & Hwacha 4 Fleetwood Rd, Harare, Zimbabwe.
TRANSFER SECRETARIES:	First Transfer Secretaries 1 Armagh Avenue Eastlea, Harare, Zimbabwe

FINANCIAL HIGHLIGHTS

SALIENT FEATURES FOR THE YEAR




FINANCIAL HIGHLIGHTS

GROUP SUMMARY

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
	(Restated*)		(Restated*)	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Revenue	13 163 885 258	8 775 133 339	10 180 948 626	3 832 897 658
Earnings before interest, tax, depreciation and amortisation (EBITDA)	1 410 174 350	524 632 549	984 597 283	224 762 562
Operating profit	1 703 731 583	479 609 211	1 701 348 482	563 290 745
Net interest expense	(1 445 566)	(104 279 910)	(881 632)	(45 217 636)
Profit for the year	797 306 368	81 667 789	1 450 879 965	496 990 767
Other comprehensive income	304 382 618	269 839 418	610 461 777	511 552 483
Total comprehensive income	1 101 688 986	351 507 206	2 061 341 742	1 008 543 250
Profit attributable to equity holders of the parent	728 349 809	(7 415 135)	1 369 067 794	438 639 434
Basic earnings per share (cents)	15.15	(0.15)	28.47	9.12
Diluted earnings per share (cents)	15.15	(0.15)	28.47	9.12
Statement of Financial Position				
Equity attributable to equity holders of the parent	3 397 728 931	2 364 996 505	3 225 204 862	1 245 675 291
Property, plant and equipment	2 086 343 907	1 469 750 007	1 629 165 738	588 211 803
Total assets	5 514 626 791	4 028 022 106	5 022 561 937	2 054 281 211
Statistics				
Refined sugar sales in domestic market (tonnes)	82 500	60 388	82 500	60 388
Average number of employees	503	462	503	462

* 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

A portrait of a middle-aged Black man with glasses, smiling, wearing a dark blue suit, white shirt, and a patterned tie. He is standing with his hands clasped in front of him.

I take pleasure in presenting the financial results for the year ended 31 March 2022. They indicate a sound performance amidst a harsh operating environment, which prevailed throughout the year.

OVERVIEW

The year under review registered significant growth in economic activity within the country, as businesses gradually recovered from the adverse effects of the COVID-19 pandemic that dominated the 2020/21 financial year. Inflationary pressure increased in the second half of the year. In addition, the global economic shock caused by the conflict between Russia and Ukraine caused grain and oil prices to rise towards the end of the financial year under review.

Capacity utilisation within the manufacturing sector increased to 57% in the 2021 calendar year, up from the prior year's 47%, according to the Confederation of Zimbabwe Industries ("CZI") Manufacturing Sector Survey. The Reserve Bank of Zimbabwe's Foreign Currency Auction Trading System (the "Auction") helped industry to secure manufacturing inputs and retool. In May 2021, Statutory Instrument 127 was promulgated, imposing civil penalties on businesses that grant discounts to consumers paying in foreign currencies. This caused some businesses to effect significant increases in the prices of consumer goods.

CHAIRMAN'S STATEMENT (continued)

GROUP RESULTS

The Company's financial results have been inflation adjusted in compliance with the requirements of International Accounting Standard ("IAS") 29 - Financial Reporting in Hyperinflationary Economies. The historical financial information has been disclosed as supplementary information. Goldstar Sugars sales volumes grew from 60,388 tonnes recorded in the 2021 financial year to 82,500 tonnes in the year under review. This drove a 50% increase in the Company's turnover during the period under review, from ZWL8.78 billion to ZWL13.16 billion. The Group's operating profit grew by 255%, from prior year's ZWL479.61 million to ZWL1.70 billion.

The improved financial performance for the year allowed the Company to substantially settle the legacy liabilities, which were significant in the prior year. The reduction in debt levels resulted in notable savings in interest costs and foreign exchange losses. The finance cost reduced significantly, from ZWL104.28 million incurred in prior year to ZWL1.45 million. Exchange losses, which were being incurred on foreign currency-denominated liabilities, did not recur during the year under review as the business settled foreign obligations in the 2021 financial year. Consequently, the Company recorded a ZWL45.92 million exchange gain in the current year, mainly emanating from foreign currency-denominated cash and bank balances. This is a marked improvement from the ZWL347.56 million exchange loss that was recorded in the 2021 financial year.

In historical terms, total turnover increased by 166%, from prior year's ZWL3.83 billion to ZWL10.18 billion, while operating profit increased by 202%, from ZWL563.29 million to ZWL1.70 billion.



CHAIRMAN'S STATEMENT (continued)

OPERATIONS

Goldstar Sugars (“GSS”)

The business unit recorded a 38% increase in production volumes, from 59,571 tonnes achieved in 2021 to 82,399 tonnes in the year under review. This was primarily due to capital investments made and a rigorous equipment maintenance regime. The latter was introduced during the year under review and has reduced the refinery's downtime. Demand for granulated sugar remained high in the market resulting in an increase in sales volumes by 37%.

Electricity supply improved slightly, compared to last year, but remained unstable, mainly due to electrical faults. Operational challenges faced by the Harare City Council adversely impacted the effective reticulation of water to the plant. This resulted in a higher volume of water being sourced from private suppliers.

The plant continues to be certified by The Coca Cola Company (“TCCC”). It also has Food Safety Certification under the Food Safety System Certification (FSSC) 22000 series. The certifications enable the Company to supply products to TCCC franchisees in the Southern Africa region and beyond.

Country Choice Foods (“CCF”)

The commissioning of syrup filling and icing packing machines during the period under review contributed to an increase in the production volumes of this business unit. A 29% increase in production of sugar specialties was recorded from the 1,488 tonnes recorded in 2021 to 1,920 tonnes achieved in the year under review.

During the year under review, CCF expanded its portfolio by launching several new products into the market. These comprised chocolate icing, lemon icing and mint icing, raisins, cocoa powder, caramel coated popcorn, as well as bun and bread premixes.

New Product

CCF EXPANDED ITS PORTFOLIO BY LAUNCHING SEVERAL NEW PRODUCTS INTO THE MARKET. THESE COMPRISED CHOCOLATE ICING, LEMON ICING AND MINT ICING, RAISINS, COCOA POWDER, CARAMEL COATED POPCORN, AS WELL AS BUN AND BREAD PREMIXES.



CHAIRMAN'S STATEMENT (continued)

Properties Business

The property business unit recorded a 55% increase in rental income, from prior year's ZWL35.80 million to ZWL55.43 million in the period under review due to the increase in occupancy levels. Economic activity rebounded, following the lifting of restrictive measures that were adopted in response to the outbreak of COVID-19. This resulted in higher occupancy rates and improved the ability of tenants to settle their lease obligations.

Tongaat Hulett Botswana

This associate recorded a profit for the year of ZWL162.92 million, of which the Company's share was ZWL54.31 million after converting the earnings into ZWL at the auction rate.

SCHEME OF ARRANGEMENT (THE "SCHEME")

The Scheme expired on 3 February 2022. Out of the total liabilities that were originally under the Scheme, ZWL759,002 remains unpaid, as the business cannot locate the creditors. Efforts to trace their whereabouts continue.

Following the Scheme's expiration, creditors' rights to potentially convert the debts into equity have ceased to be enforceable.

DIRECTORATE

During the year under review, the Board accepted the resignations of Mrs. V. Nyemba and Mr. J. Chikura with effect from 30 September 2021.

The following Board appointments were made during the same period:

- Mr. M. E. Chiremba, effective 15 March 2022;
- Ms. R. Magundani, effective 3 November 2021 and
- Mr. G. T. Nyamayi, effective 16 December 2021.

Separately, Mr. R. Mutyiri resigned as a Director and Chief Executive Officer, effective 31 January 2022. Mr. R. Nyabadza was appointed as a Director and Chief Executive Officer with effect from 1 February 2022. Mr. F. M. Myambuki was appointed as Finance Director, effective 1 February 2022.

In terms of Article 107 of the Articles of Association, Messrs G. T. Nyamayi and M. E. Chiremba, as well as Ms. R. Magundani will retire at the next Annual General Meeting and, being eligible, offer themselves for re-election. In terms of Article 100, Messrs M. Sibanda and C. Matorera retire by rotation and, being eligible, offer themselves for re-election.

CHAIRMAN'S STATEMENT (continued)

DIVIDEND

Considering the Company's focus on refurbishing and replacing critical items of plant and machinery, the Board has taken a decision not to declare a dividend for the year ended 31 March 2022.

OUTLOOK

While the COVID-19 situation is currently stable in Zimbabwe, the Board remains alert and vigilant with regards to potential future disruptions associated with the pandemic.

The Company will continue with its focus on retooling the business, with a view towards increasing productivity across its strategic business units.

CONCLUSION

I wish to thank the Company's employees and management, whose efforts have yielded this sound financial performance, despite the difficult economic environment. I would also like to thank my fellow Board Members, customers, suppliers and shareholders for their unwavering support over the years.



R. J. MBIRE (PhD)

CHAIRMAN

20 SEPTEMBER 2022



COUNTRY CHOICE FOODS

COUNTRY CHOICE FOODS

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



DIRECTORS' PROFILES



Dr. Rungamo J. Mbire

**Non-Executive
Chairman**

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



Eng. Robson Nyabadza

**Chief Executive
Officer**

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) & 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.



Formai M. Myambuki

**Finance
Director**

Mr. Formai M. Myambuki is a Chartered Accountant (Zimbabwe) with more than 14 years' experience. He holds a Bachelor of Accounting Sciences, 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.

DIRECTORS' PROFILES



Aldo J. Musemburi

**Director of
Corporate Services**

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.



Rudo Magundani

**Non-Executive
Director**

Ms. Rudo Magundani holds an LLB (Hons) Degree from the University of Zimbabwe and a Master of Law from the University of Cambridge, United Kingdom. She is a Partner with Scanlen & Holderness, with extensive experience in litigation and advisory in the fields of Tax and Exchange control, Shareholder and investment disputes, Commercial arbitration, Due diligence, Debt collection, Contracts and Leases, Offshore finance transactions, Labour and employment law, White collar crimes prosecution and defence, Litigation arising out of forensic audit exercises, Public finance management and Administrative & constitutional law.



Clifford Matorera

**Non-Executive
Director**

Mr. Clifford 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.

DIRECTORS' PROFILES



Gaylord T. Nyamayi

**Non-Executive
Director**

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.



Dr. Marvelous Sibanda

**Non-Executive
Director**

Dr. Mavellas 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). Mr 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.



Mirirai E. Chiremba

**Non-Executive
Director**

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.

CORPORATE GOVERNANCE REPORT

Starafrika 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 of 9 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 G.T. Nyamayi (Chairman), 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 Directors and Senior Managers, 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 Directors and Senior Managers. The committee comprises of C. Matorera (Chairman), 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 Starafrika Corporation Limited on:

- Matters relating to the composition 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 their report and financial statements for the year ended 31 March 2022.

NON-CURRENT ASSETS

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

	2022	2021
	ZWL\$	(Restated*) ZWL\$
Property, plant and equipment	2 086 343 907	1 469 750 007
Investment property	1 219 480 000	832 839 818
Investment in associate	194 384 501	289 944 615
Balance as at 31 March	3 500 208 408	2 592 534 440

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.

MATERIAL CHANGES IN THE SHAREHOLDING OF THE COMPANY.

On the 15th of September 2021, Investors in Africa – Takura Ventures (Private) Limited and Takura III (Private) Limited respectively (collectively “Takura”) purchased 2,070,213,631 and 690,071,211 shares of StarAfrica Corporation Limited, which had been held by Zimbabwe Asset Management Company (ZAMCO). The total of 2,760,284,842 ordinary shares purchased represents 57.40% of the total issued share capital of the Company. Therefore, the beneficial owners of Takura have a combined shareholding of 57.40% of the total issued share capital of the Company.

The Zimbabwe Stock Exchange (ZSE) granted Takura a waiver on the requirement for a mandatory offer to minority shareholders following its acquisition of 57.40% shareholding in the Company.

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 2022.

DIRECTORS' REPORT (continued)

COVID-19 EFFECTS ON THE BUSINESS

In the year under review, the business continued operating largely unhindered due to its designation as an essential services provider. This was largely attributable to the success of the Government's National Vaccination Programme, which Starafica participated in, resulting in all its employees being inoculated.

The Board is hopeful that measures being pursued by Government and the world at large will smother the full impact of this pandemic into the future. The company remains resilient as local demand for its products continues to be strong. There have not been any major constraints in the supply of major raw inputs. The Directors remain confident that the company will continue on its upward trajectory despite the challenges emanating from COVID-19.

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

On the 17th of May 2022, 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 is the primary product of Starafica Corporation. This pronouncement is valid for a period of 6 months from 17th of May 2022 to the 16th of November 2022.

The business has performed an impact assessment and 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 requirements. 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.

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 Starafica, 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.

DIRECTORS' REPORT (continued)

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 pages 20 to 22. Shareholders will be asked to re-elect the Directors retiring by rotation and in terms of Article 107 of the Articles of Association. Shareholders will also be asked to approve Directors' fees for the year ended 31 March 2022.

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 (IASB). As such the Group has not complied with the Companies And Other Business Entities Act (Chapter 24:31) and the relevant Statutory Instruments.

GOING CONCERN

The group's revenue has increased from ZWL\$ 8.78 billion recorded last year to ZWL\$ 13.16 billion in the current year mainly buoyed by the increase in sales volumes of granulated sugar which increased from the 60,388 tonnes sold in the prior year comparative period to 82,500 tonnes in the 2022 financial year. The group has grown the net working capital position to ZWL\$ 660.14 million, up from ZWL\$ 528.79 million in 2021 and has managed to clear all of the legacy liabilities that were weighing heavily on its balance sheet.

Sales volumes of granulated sugar have significantly increased by 37% from the 60,388 tonnes sold in the prior year to 82,500 tonnes sold in the 2022 financial year. This increase was buoyed by a 38% increase in production volumes at the refinery from 59,571 tonnes recorded in 2021 to 82,399 tonnes in the period under review. 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 100,000 tonnes for the 2023 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 boosting capacity utilisation. In the financial year 2022, the business incurred a total of USD3,316,347 on capital equipment. This equipment includes an icing packing machine, effluent treatment plant, automatic syrup filling machine, two continuous centrifugals and dust extraction system.

DIRECTORS' RESPONSIBILITY STATEMENT

GOING CONCERN (continued)

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 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.

Management anticipates that the business will be able to generate positive cash flows into the future regardless of the implications of the Covid-19 pandemic and the effects of Statutory Instrument 98 of 2022 (SI 98 of 2022) 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 2023 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 ZWL\$13.2billion in cash generated from operating activities for the full year of 2023. Management performed a scenario analyses and noted that, in the worst case scenario, brought about by the anticipated effects of Statutory Instrument 98 of 2022, the downside impact would still have the business earning positive cash flows to the tune of ZWL\$8.6billion from operating activities.

The business remains in a sound financial position with sufficient liquidity to settle its obligations as they fall due. Due to an increase in productivity and sales volumes in the prior year and that which is anticipated for the future, the business will continue generating sufficient cash flows to meet its daily working capital needs and for capital expansion. An impact analysis of the current and historical effects of SI 98 of 2022 and the Covid-19 pandemic, points to an expected minimal impact of these two factors in the foreseeable future.

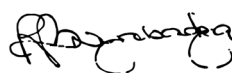
The Directors have assessed the ability of the Group to continue operating as a going concern and believe that the preparation of these financial statements on a going concern basis is still appropriate. The Directors have engaged themselves to continuously assess the ability of the Group to continue 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.

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
CHAIRMAN
20 SEPTEMBER 2022



R. Nyabadza
CHIEF EXECUTIVE
20 SEPTEMBER 2022

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



05 ANNUAL FINANCIAL STATEMENTS

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Independent auditor's report

To the Shareholders of Starafrika 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 Starafrika Corporation Limited (the Company) and its subsidiaries (together the Group) as at 31 March 2022, 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

Starafrika Corporation Limited's consolidated and separate financial statements set out on pages 38 to 123 comprise:

- the consolidated and separate statements of financial position as at 31 March 2022;
 - the consolidated and separate statements of profit or loss and other comprehensive income for the period then ended;
 - the consolidated and separate statements of changes in equity for the period then ended;
 - the consolidated and separate statements of cash flows for the period 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 2021, 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 use of a combination of average and spot exchange rates on the change in functional currency date of 22 February 2019 which resulted in an imbalance that was recorded directly in equity as a functional currency translation reserve which did not comply with IAS 21, the effects of the Group and Company's change in its 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 its 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 land and buildings included in property, plant and equipment (together the "properties") of the Group. 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 properties values was not an accurate reflection of market

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Clive K Mukondiwa – Senior Partner

The Partnership's principal place of business is at Arundel Office Park, Norfolk Road, Mount Pleasant, Harare, Zimbabwe where a list of the Partners' names is available for inspection.



dynamics as the risks associated with currency trading do not reflect the risks associated with property trading.

In addition, the Group inappropriately classified the conversion option of a foreign currency denominated financial instrument as equity as opposed to a financial liability, which is not in compliance with IAS 32, '*IAS 32 Financial Instruments: Presentation*'.

Our opinion on the consolidated and separate financial statements as at 31 March 2022, and for the year then ended, is modified because of the possible effects that these matters have on the current year 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 its functional currency in accordance with the requirements of IAS 21 and amounts retrospectively restated in accordance with the requirements of IAS 8, and then inflation adjusted in accordance with IAS 29 as at 31 March 2022, non-monetary assets, non-monetary liabilities and retained earnings in the accompanying consolidated and separate statements of financial position as at 31 March 2022, and the related 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 this matter on the consolidated and separate financial statements for the year ended 31 March 2022.

Furthermore, the use of inappropriate spot rates to translate foreign denominated transactions within the consolidated and separate statements of profit or loss and other comprehensive income in the prior year has had an impact on the comparability of the current year's figures to that of the comparative period.

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. It was not practicable to quantify the financial impact of this misstatement on the consolidated financial performance for the year ended 31 December 2022. This has also had an impact on the comparability of the current year's figures to that of the comparative period.

In addition, the opening consolidated balances as at 1 April 2021 of the foreign denominated equity components of compound financial instruments that were inappropriately classified as equity instead of as a financial liability resulted in consolidated equity being overstated and consolidated liabilities being understated by ZWL 69 250 667 as at 1 April 2020. As a result, the prior year profit and loss was also misstated due to the remeasurement at disposal of a part of the financial instrument. This had an impact on the comparability of the current year's figures to that of the comparative period. Due to the fact that the liability was fully settled at the beginning of the current year (1 April 2021), there is no impact of IAS 21 and IAS 29 in the current year.

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 in accordance with the *International Code of Ethics for Professional Accountants (including International Independence Standards) (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 <ul style="list-style-type: none"> Overall group materiality: ZWL 53,496,666.85 which represents 5% of profit before tax.
	Group audit scope <ul style="list-style-type: none"> Include highlights from the bespoke description of group scoping as described under the heading “How we tailored our group audit scope” which might include, for example: <ul style="list-style-type: none"> The number of reporting units and number of countries The group engagement team visited the Harare site. We performed audit work on all material

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 made 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 53,496,666.85
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark. We chose 5% which is consistent with quantitative materiality thresholds used for profit-oriented companies in this sector.



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 judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. 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 “Annual Financial Statement” that the engagement team has determined, through discussion with management, to constitute the client’s ‘annual report’ as defined in ISA 720 (Revised). The other information does not include the consolidated or 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.

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

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 2020 and 31 March 2021 when the Group incorrectly accounted for the change in functional currency, and its consequential effects on the hyperinflationary adjustments made in terms of IAS 29 for the for all year ends since 31 March 2020 and 31 March 2021, as well as the impact of conversion rates used to convert US\$ valuation inputs to determine the ZWL fair value of properties as at 31 March 2020 and 31 March 2021. In addition the financial statements contain material misstatements with respect to the accounting for the foreign denominated equity components of compound financial instruments that were inappropriately classified as equity instead of as a financial liability. 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 the requirements of 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 ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors



either intend to liquidate the Group 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 the 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 control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's and the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated 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.

A handwritten signature in blue ink that reads "PricewaterhouseCoopers".

Esther Antonio
Registered Public Auditor

Public Accountants and Auditors Board, Public Auditor Registration Number 0661
Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 255940
Partner for and on behalf of
PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

20 September 2022

Harare, Zimbabwe

STATEMENT OF FINANCIAL POSITION

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	INFLATION ADJUSTED				
		GROUP			COMPANY	
		2022	2021	1 April 2020	2022	2021
			(Restated*)	(Restated*)		(Restated*)
		ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Non-current assets						
Property, plant and equipment	9	2 086 343 907	1 469 750 007	1 889 253 484	-	-
Investment property	10	1 219 480 000	832 839 818	925 117 171	-	-
Investment in an associate	11.1	194 384 501	289 944 615	292 831 341	4 533 151	4 533 151
Investment in subsidiaries	11.2	-	-	-	848 246 230	848 246 230
		3 500 208 408	2 592 534 440	3 107 201 996	852 779 381	852 779 381
Current assets						
Inventories	12	620 629 259	547 179 705	711 437 552	-	-
Trade and other receivables	13	428 203 843	375 156 174	436 004 996	396 290 977	446 444 287
Prepayments and deposits	13.2	550 590 907	113 154 803	197 746 394	-	-
Cash and cash equivalents	14.4	414 994 374	399 996 984	287 667 489	7 552 413	52 281 925
		2 014 418 383	1 435 487 666	1 632 856 431	403 843 390	498 726 212
TOTAL ASSETS		5 514 626 791	4 028 022 106	4 740 058 427	1 256 622 771	1 351 505 593
EQUITY AND LIABILITIES						
Equity attributable to equityholders of the parent						
Issued capital	3	21 956 713	21 956 713	21 956 713	21 956 713	21 956 713
Share premium		2 637 434 355	2 637 434 355	2 637 434 355	2 637 434 355	2 637 434 355
Non-distributable reserves	5	574 222 036	269 839 418	-	-	-
Equity component of compound financial Instruments	15.5	-	4 756 196	296 633 088	-	-
Retained earnings/(accumulated loss)		164 115 827	(568 990 177)	(853 451 934)	(1 439 219 475)	(1 383 480 753)
		3 397 728 931	2 364 996 505	2 102 572 222	1 220 171 593	1 275 910 315
Non-controlling interest	11.3	349 989 545	281 032 984	191 950 061	-	-
Total equity		3 747 718 476	2 646 029 489	2 294 522 283	1 220 171 593	1 275 910 315
Non-current liabilities						
Loans and borrowings		-	-	648 887 454	-	-
Deferred tax liability	17	507 546 916	475 299 478	461 259 018	5 392 851	45 591 040
		507 546 916	475 299 478	1 110 146 472	5 392 851	45 591 040
Current liabilities						
Payables and provisions	18	1 064 796 995	873 491 042	871 189 636	165 265	285 404
Short-term borrowings	15.2	759 002	2 318 091	329 953 776	-	-
Income tax payable	7.2	193 805 402	30 884 006	134 246 260	30 893 062	29 718 834
		1 259 361 399	906 693 139	1 335 389 672	31 058 327	30 004 238
Total liabilities		1 766 908 315	1 381 992 617	2 445 536 144	36 451 178	75 595 278
TOTAL EQUITY AND LIABILITIES		5 514 626 791	4 028 022 106	4 740 058 427	1 256 622 771	1 351 505 593

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.

STATEMENT OF FINANCIAL POSITION

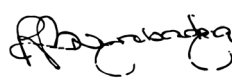
FOR THE YEAR ENDED 31 MARCH 2022

	HISTORICAL (UNAUDITED)				
	GROUP			COMPANY	
		2022	2021	1 April 2020	
		(Restated*)	(Restated*)	(Restated*)	
	Notes	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Non-current assets					
Property, plant and equipment	9	1 629 165 738	588 211 803	252 592 746	-
Investment property	10	1 219 480 000	482 260 000	157 302 017	-
Investment in an associate	11.1	194 384 501	167 893 858	49 791 488	99 279
Investment in subsidiaries	11.2	-	-	-	37 176 598
		3 043 030 239	1 238 365 661	459 686 251	18 676 423
Current assets					
Inventories	12	616 542 405	306 258 159	112 503 613	-
Trade and other receivables	13	428 203 844	217 236 031	74 135 957	396 290 976
Prepayments and deposits	13.2	519 791 075	60 801 135	24 935 786	-
Cash and cash equivalents	14.4	414 994 374	231 620 225	48 913 454	7 552 413
		1 979 531 698	815 915 550	260 488 810	403 843 389
TOTAL ASSETS		5 022 561 937	2 054 281 211	720 175 061	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	1 362 593 169	761 638 552	250 086 069	-
Equity component of compound financial instruments	15.5	-	99 792	21 567 944	-
Retained earnings / (accumulated loss)		1 804 369 301	425 694 555	(33 771 069)	346 425 696
		3 225 204 862	1 245 675 291	296 125 336	404 668 088
Non-controlling interest	11.3	165 047 849	83 235 679	24 884 346	-
Total equity		3 390 252 711	1 328 910 970	321 009 682	263 692 475
Non-current liabilities					
Loans and borrowings		-	-	110 333 381	-
Deferred tax liability	17	372 947 828	200 345 111	61 769 421	5 392 851
		372 947 828	200 345 111	172 102 802	5 392 851
Current liabilities					
Payables and provisions	18	1 064 796 994	505 799 292	148 132 465	165 265
Short-term borrowings	15.2	759 002	1 342 302	56 103 590	-
Income tax payable	7.2	193 805 402	17 883 536	22 826 522	30 893 062
		1 259 361 398	525 025 130	227 062 577	17 374 102
Total liabilities		1 632 309 226	725 370 241	399 165 379	36 451 178
TOTAL EQUITY AND LIABILITIES		5 022 561 937	2 054 281 211	720 175 061	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 therequirements 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
20 September 2022



R. Nyabadza
CHIEF EXECUTIVE
20 September 2022

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF PROFIT OR LOSS	Notes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2022	2021 (Restated*)	2022	2021 (Restated*)	2022	2021 (Restated*)	2022	2021 (Restated*)
		ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Revenue from contracts with customers	4.1	13 108 451 683	8 739 335 535	-	-	10 136 745 197	3 816 672 454	-	-
Rental income	4.2	55 433 575	35 797 804	-	-	44 203 429	16 225 204	-	-
Total Revenue	4	13 163 885 258	8 775 133 339	-	-	10 180 948 626	3 832 897 658	-	-
Cost of sales	6.1	(10 223 681 997)	(7 117 352 684)	-	-	(7 937 172 411)	(3 151 429 633)	-	-
Gross profit		2 940 203 261	1 657 780 655	-	-	2 243 776 215	681 468 025	-	-
Other income	6.2	42 637 478	388 289 030	18 599 454	-	32 655 249	197 015 934	18 599 454	-
Investment income	6.3	-	-	151 112 673	227 272 311	-	-	104 129 293	107 671 592
Fair value gain/(loss) on investment property	10	386 640 183	(92 277 351)	-	-	737 220 000	324 957 984	-	-
Selling and distribution expenses	6.4	(180 539 285)	(98 271 874)	-	-	(145 244 401)	(47 606 170)	-	-
Administrative expenses	6.5	(1 519 282 275)	(847 392 726)	(85 505)	-	(1 196 894 174)	(368 339 199)	(62 340)	-
Expected credit loss	13.1	(10 867 367)	5 319 139	(4 002 939)	-	(15 519 739)	(3 616 139)	(4 002 939)	-
Impairment loss	6.6	(983 149)	(107 912 478)	-	-	(21 532)	(19 984 609)	-	-
Revaluation loss of property, plant and equipment	9(b)	-	(78 365 304)	-	-	-	-	-	-
Exchange gain/(loss)		45 922 737	(347 559 880)	22 531 244	184 429 773	45 376 864	(200 605 081)	22 663 381	106 794 969
Operating Profit/(loss)		1 703 731 583	479 609 211	188 154 927	411 702 084	1 701 348 482	563 290 745	141 326 849	214 466 561
Finance cost	14.2	(1 445 566)	(104 279 910)	(1 343 665)	-	(881 632)	(45 217 636)	(810 481)	-
Finance income	14.2	370 930	304 948	367 633	304 948	278 238	148 314	278 238	148 314
Loss on net monetary position		(687 028 660)	(282 003 572)	(253 331 129)	(358 531 934)	-	-	-	-
Share of profit of an associate	11.1	54 305 050	120 061 352	-	-	54 305 050	69 522 118	-	-
Profit/(loss) before income tax	6	1 069 933 337	213 692 029	(66 152 234)	53 475 098	1 755 050 138	587 743 541	140 794 606	214 614 875
Income tax expense	7	(272 626 969)	(132 024 240)	10 413 513	(69 640 700)	(304 170 173)	(90 752 774)	181 007	(44 294 476)
Profit/(loss) for the year		797 306 368	81 667 789	(55 738 721)	(16 165 602)	1 450 879 965	496 990 767	140 975 613	170 320 399

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.

* Further information on the restatements made pursuant to correction of prior period errors is included in note 24.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

STATEMENT OF OTHER COMPREHENSIVE INCOME	Notes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$
Profit/(loss) for the year		797 306 368	81 667 789	(55 738 721)	(16 165 602)	1 450 879 965	496 990 767	140 975 613	170 320 399
Other comprehensive income to be reclassified to profit or loss in subsequent periods:									
Exchange differences on translating foreign operations	11.1	76 314 887	269 839 417	-	-	76 314 887	156 251 845	-	-
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:		76 314 887	269 839 417	-	-	76 314 887	156 251 845	-	-
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:									
Revaluation of property, plant and equipment	9 (b)	302 959 261	-	-	-	708 891 678	509 385 598	-	-
Impairment of previously revalued assets		-	-	-	-	-	(37 413 443)	-	-
Income tax relating to components of other comprehensive income	17	(74 891 529)	-	-	-	(174 744 788)	(116 671 517)	-	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		228 067 732	-	-	-	534 146 890	355 300 638	-	-
Other comprehensive income for the year, net of tax		304 382 618	269 839 418	-	-	610 461 777	511 552 483	-	-
Total comprehensive income/(loss)		1 101 688 986	351 507 206	(55 738 721)	(16 165 602)	2 061 341 742	1 008 543 250	140 975 613	170 320 399
Profit/(loss) attributable to									
Non-controlling interests		68 956 559	89 082 924	-	-	81 812 170	58 351 333	-	-
Equity holders of the parent		728 349 809	(7 415 135)	(55 738 721)	(16 165 602)	1 369 067 794	438 639 434	140 975 613	170 320 399
		797 306 368	81 667 789	(55 738 721)	(16 165 602)	1 450 879 964	496 990 767	140 975 613	170 320 399
Total comprehensive income/(loss) attributable to:									
Non-controlling interests	11.3	68 956 559	89 082 924	-	-	81 812 170	58 351 333	-	-
Equity holders of the parent		1 032 732 427	262 424 282	(55 738 721)	(16 165 602)	1 979 529 571	950 191 917	140 975 613	170 320 399
		1 101 688 986	351 507 206	(55 738 721)	(16 165 602)	2 061 341 741	1 008 543 250	140 975 613	170 320 399
Earnings per share									
Basic (cents)	8.1	15.15	(0.15)			28.47	9.12		
Diluted (cents)	8.2	15.15	(0.15)			28.47	9.12		
Headline earnings per share	8.3	8.37	4.66			16.22	6.54		

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.

* Further information on the restatements made pursuant to correction of prior period errors is included in note 24.

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

INFLATION ADJUSTED	GROUP						Non-controlling Interest ZWL\$	Total Equity ZWL\$
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	Issued Capital (Note 3) ZWL\$	Share IPremium (Note 3) ZWL\$	Non - distributable Reserve (Note 5) ZWL\$	Equity component of compound financial instruments ZWL\$	Retained Earnings ZWL\$	Total ZWL\$		
Balance as at 31 March 2020	21 956 713	2 637 434 355	-	296 633 088	(768 682 981)	2 187 341 175	107 181 108	2 294 522 283
Adjustment for Safariland prior period error (Note 24.6)	-	-	-	-	(84 768 953)	(84 768 953)	84 768 953	-
Balance as at 1 April 2020 (Restated*)	21 956 713	2 637 434 355	-	296 633 088	(853 451 934)	2 102 572 222	191 950 061	2 294 522 283
Settlement of compound financial instruments (Note15.5)	-	-	-	(42 566 093)	42 566 093	-	-	-
Profit for the year (restated)	-	-	-	-	(7 415 135)	(7 415 135)	89 082 924	81 667 789
Profit for the year (as previously presented)	-	-	-	-	182 965 515	182 965 515	6 417 346	189 382 861
Adjustment for impairment of previously revalued assets (Note 24.1)	-	-	-	-	(48 721 672)	(48 721 672)	-	(48 721 672)
Adjustment for revaluation loss of property, plant and equipment (Note 24.1)	-	-	-	-	(58 993 401)	(58 993 401)	-	(58 993 401)
Adjustment for Safariland prior period error (Note 24.6)	-	-	-	-	(82 665 578)	(82 665 578)	82 665 578	-
Other comprehensive income (restated)	-	-	269 839 418	(249 310 799)	249 310 799	269 839 418	-	269 839 418
Other comprehensive income (as previously presented)	-	-	162 124 345	(249 310 799)	249 310 799	162 124 345	-	162 124 345
Adjustment for impairment of previously revalued assets (Note 24.1)	-	-	48 721 672	-	-	48 721 672	-	48,721,672
Adjustment for revaluation loss of property, plant and equipment (Note 24.1)	-	-	58 993 401	-	-	58 993 401	-	58 993 401
Total comprehensive income (restated)	-	-	269 839 418	(249 310 799)	241 895 664	262 424 282	89 082 924	351 507 207
Balance as at 31 March 2021 (Restated*)	21 956 713	2 637 434 355	269 839 418	4 756 196	(568 990 178)	2 364 996 504	281 032 985	2 646 029 489
Total comprehensive income	-	-	304 382 618	-	728 349 809	1 032 732 427	68 956 560	1 101 688 987
Profit for the year	-	-	-	-	728 349 809	728 349 809	68 956 560	797 306 369
Other comprehensive income	-	-	304 382 618	-	-	304 382 618	-	304 382 618
Derecognition of equity component of compound financial instrument (Note15.4)	-	-	-	(4 756 196)	4 756 196	-	-	-
Balance as at 31 March 2022	21 956 713	2 637 434 355	574 222 036	-	164 115 827	3 397 728 931	349 989 545	3 747 718 476

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

INFLATION ADJUSTED	COMPANY				
	Share capital ZWL\$	Share Premium ZWL\$	Retained Earnings ZWL\$	Non - distributable Reserve ZWL\$	Total ZWL\$
Balance as at 1 April 2020 (Restated*)	21 956 713	2 637 434 355	-	(1 367 315 150)	1 292 075 918
Total comprehensive income / loss for the year	-	-	-	(16 165 603)	(16 165 603)
Balance as at 31 March 2021 (Restated*)	21 956 713	2 637 434 355	-	(1 383 480 753)	1 275 910 315
Total comprehensive profit for the year	-	-	-	(55 738 721)	(55 738 721)
Balance as at 31 March 2022	21 956 713	2 637 434 355	-	(1 439 219 474)	1 220 171 594

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

HISTORICAL (UNAUDITED)	GROUP						Non-controlling Interest	Total Equity
	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT							
	Issued Capital (Note 3) ZWL\$	Share IPremium (Note 3) ZWL\$	Non - distributable Reserve (Note 5) ZWL\$	Equity component of compound financial instruments ZWL\$	Retained Earnings ZWL\$	Total ZWL\$		
Balance as at 31 March 2020	480 866	57 761 526	250 086 069	21 567 944	(19 357 406)	310 538 999	10 470 683	321 009 682
Adjustment for Safariland prior period error (Note 24.6)	-	-	-	-	(14 413 663)	(14 413 663)	14 413 663	-
Balance as at 1 April 2020 (Restated*)	480 866	57 761 526	250 086 069	21 567 944	(33 771 069)	296 125 336	24 884 346	321 009 682
Settlement of compound financial instruments (Note15.5)	-	-	-	(1 364 668)	722 705	(641 963)	-	(641 963)
Total comprehensive income	-	-	511 552 483	(20 103 484)	458 742 918	950 191 917	58 351 333	1 008 543 250
Profit for the year	-	-	-	-	470 844 998	470 844 998	26 145 769	496 990 767
Adjustment for Safariland prior period error (Note 24.6)	-	-	-	-	(32 205 564)	(32 205 564)	32 205 564	-
Other comprehensive income	-	-	511 552 483	(20 103 484)	20 103 484	511 552 483	-	511 552 483
Balance as at 31 March 2021 (Restated*)	480 866	57 761 526	761 638 552	99 792	425 694 554	1 245 675 291	83 235 679	1 328 910 969
Total comprehensive income	-	-	610 461 777	-	1 369 067 794	1 979 529 571	81 812 170	2 061 341 742
Profit for the year	-	-	-	-	1 369 067 794	1 369 067 794	81 812 170	1 450 879 965
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	-	1 804 369 301	3 225 204 862	165 047 849	3 390 252 711

HISTORICAL (UNAUDITED)	COMPANY				
	Share capital ZWL\$	Share Premium ZWL\$	Retained Earnings ZWL\$	Non - distributable Reserve ZWL\$	Total ZWL\$
Balance as at 1 April 2020 (Restated*)	480 866	57 761 526	29 221 409	5 908 275	93 372 076
Total comprehensive income / loss for the year	-	-	-	170 320 399	170 320 399
Balance as at 31 March 2021 (Restated*)	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 profit for the year	-	-	-	140 975 613	140 975 613
Balance as at 31 March 2022	480 866	57 761 526	-	346 425 696	404 668 088

* 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.

STATEMENT OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Notes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP				COMPANY			
		2022	2021	2022	2021	2022	2021	2022	2021
		(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)
		ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Operating activities									
Cash used in operations	14.3	989 209 055	799 175 002	46 660 231	(101 755 750)	512 983 331	66 996 190	(140 992 849)	(200 097 571)
Finance cost paid	14.2(b)	(1 343 665)	(885 115)	(1 343 665)	-	(810 481)	(177 050)	(810 481)	-
Taxation paid	7.2	(160 944 399)	(155 317 511)	(9 638 448)	(11 363 616)	(130 390 378)	(73 791 592)	(5 669 645)	(5 280 853)
Net cash flows generated/ (used) in operating activities		826 920 991	642 972 376	35 678 118	(113 119 366)	381 782 472	(6 972 452)	(147 472 975)	(205 378 424)
Investing activities									
Acquisition of property, plant and equipment-continuing operations	9	(408 827 141)	(82 740 148)	-	-	(352 577 256)	(33 495 141)	-	-
Proceeds on disposal of assets		268 527	3 255 671	-	-	236 944	1 874 089	-	-
Finance income received		370 930	304 948	367 633	304 948	278 238	148 314	278 238	148 314
Dividends received from associate	11.1	151 112 673	227 272 311	151 112 673	227 272 311	104 129 293	107 671 592	104 129 293	107 671 592
Net cash flows (used)/ generated from investing activities		(257 075 011)	148 092 782	151 480 306	227 577 259	(247 932 781)	76 198 854	104 407 531	107 819 906
Financing activities									
Loans paid	15.3	(1 112 572)	(134 089 113)	-	-	(654 451)	(63 971 488)	-	-
Net cash flows used in financing activities		(1 112 572)	(134 089 113)	-	-	(654 451)	(63 971 488)	-	-
Net increase/(decrease) in cash and cash equivalents		568 733 408	656 976 045	187 158 424	114 457 893	133 195 240	5 254 914	(43 065 444)	(97 558 518)
Net foreign exchange difference		(553 736 018)	(544 646 550)	(231 887 935)	(184 092 856)	50 178 909	177 451 857	20 343 751	107 102 523
Cash and cash equivalents at 1 April	14.4	399 996 984	287 667 489	52 281 925	121 916 888	231 620 225	48 913 454	30 274 106	20 730 101
Cash and cash equivalents at 31 March		414 994 374	399 996 984	7 552 413	52 281 925	414 994 374	231 620 225	7 552 413	30 274 106

* 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 2022

1.1 CORPORATE INFORMATION

The consolidated financial statements of Starafrika Corporation limited (the "Company") and its subsidiaries (the "Group") for the year ended 31 March 2022 were authorised for issue in accordance with a resolution of the directors on 20 September 2022. Starafrika 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	Nature of Business
Starafrika Corporation Limited		Holding company
Starafrika Operations (Private) Limited	100%	Sugar refining, manufacture of sugar based products, provision of bulk haulage services, marketing and distribution of sugar
Red Star Holdings Limited	100%	Dormant
Silver Star Properties (Private) Limited	100%	Property-holding company
Starafrika International Limited	100%	Dormant
Namibstar Trading (Proprietary) Limited	100%	Dormant
Tongaat Hulett (Botswana) Limited	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 ZWL\$) and directed that all assets and liabilities that were in United States 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 (PAAB) notes that this is contrary to IAS21 "The effects of changes in Foreign Exchange Rates". 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 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 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 (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 year, 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 International Accounting Standard (IAS) 21 (The effects of changes in foreign exchange rates) 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 and 2022 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 2022

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 (Auction) through a bidding system. On the 24th of July 2020, Statutory Instrument 85 of 2020 was promulgated which amended the exclusive use of Zimbabwe Dollar for domestic transactions rules by allowing dual pricing and displaying, quoting and offering of prices for domestic goods and services. The SI 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 used by 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 operating activities are retained in ZWL\$ through the company'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 2022

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 International Financial Reporting Standards (IFRS) specifically International Accounting Standard 21 (IAS 21), promulgated by the International Accounting Standards Board (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 International Financial Reporting Standards (IFRS) as adopted by the Public Accountants and Auditor's Board (PAAB).

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. SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

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 International Accounting Standard (IAS) 29 - Financial Reporting in Hyperinflationary Economies. The Public Accountants and Auditors Board (PAAB) 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 2022	4,766.10	1.0000
February 2022	4,483.06	1.0631
January 2022	4,189.97	1.1375
December 2021	3,977.46	1.1983
November 2021	3,760.86	1.2673
October 2021	3,555.90	1.3403
September 2021	3,342.02	1.4261
August 2021	3,191.19	1.4935
July 2021	3,062.93	1.5561
June 2021	2,986.44	1.5959
May 2021	2,874.85	1.6579
April 2021	2,803.57	1.7000
March 2021	2,759.83	1.7270

Month	All Items CPI Indices	Conversion Factors
March 2021	2,759.83	1.7270
February 2021	2,698.89	1.7659
January 2021	2,608.79	1.8269
December 2020	2,474.51	1.9261
November 2020	2,374.24	2.0074
October 2020	2,301.67	2.0707
September 2020	2,205.24	2.1613
August 2020	2,123.97	2.2440
July 2020	1,958.72	2.4333
June 2020	1,445.21	3.2979
May 2020	1,097.65	4.3421
April 2020	953.36	4.9992
March 2020	810.40	5.8812

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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

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 on 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 were restated at the 31 March 2021 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 properties were restated at the 31 March 2021 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 Zimbabwean dollar (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 2022. Comparatives were restated at the adjustment factor as at 31 March 2021.

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 2022. Comparatives were restated at the adjustment factor as at 31 March 2021.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (continued)

Trade payables

The amounts are a monetary liability and hence were not inflation adjusted as at 31 March 2022. Comparatives were restated at the adjustment factor as at 31 March 2021.

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 2022.

Loans and Borrowings

The amounts constitute a monetary liability and thus were not inflation adjusted as at 31 March 2022. Comparatives were restated at the adjustment factor as at 31 March 2021.

Revaluation Reserve

The opening revaluation reserve was eliminated against equity. The balance since then corresponded to recalculated gains on revaluation from hyperinflation adjusted PPE movements.

Other reserves

The opening balance was restated using the adjustment factor as at 31 March 2021. Movements from that date were recalculated using the adjustment factor at the date of the related movement. The opening reserves was eliminated against retained earnings.

Issued Capital

The opening balance was restated using the adjustment factor as at 31 March 2021. 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.

Net monetary gain or loss

Gains and losses arising from net monetary position are included in the statement of profit or loss and in the statement of cashflows as non-cash items.

The historical cost information has been shown as supplementary information for the benefit of user. These are not required in terms of International Accounting Standard (IAS) 29 "Financial Reporting in Hyperinflationary Economies". The 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 2022.

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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (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	Effective date
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 June 2020 (early adoption is permitted) (Published May 2020)	The IASB has provided lessees (but not lessors) with relief in the form of an optional exemption from assessing whether a rent concession related to COVID-19 is a lease modification, provided that the concession meets certain conditions. Lessees can elect to account for qualifying rent concessions in the same way as they would if they were not lease modifications. In many cases, this will result in accounting for the concession as a variable lease payment.
Annual improvements cycle 2018 -2020	Annual periods beginning on or after 1 January 2022 (Published May 2020)	<p>These amendments include minor changes to:</p> <ul style="list-style-type: none"> · 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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	Effective date
IFRS 16, 'Leases' COVID-19-Related Rent Concessions Amendment	Annual periods beginning on or after 1 April 2021 (early adoption is permitted) (Published March 2021)	On 31 March 2021, the IASB published an additional amendment to extend the date of the May 2020 practical expedient from 30 June 2021 to 30 June 2022. The March 2021 amendment will only be available if an entity chose to apply the May 2020 optional practical expedient.
Amendments to IFRS 9 'Financial Instruments', IAS 39 'Financial Instruments: Recognition and Measurement', IFRS 7 'Financial Instruments: Disclosures', IFRS 4 'Insurance Contracts' and IFRS 16 'Leases' – interest rate benchmark (IBOR) reform (Phase 2)	Annual periods beginning on or after 1 January 2021 (Published August 2020)	The Phase 2 amendments address issues that arise from the implementation of the reform of an interest rate benchmark, including the replacement of one benchmark with an alternative one.
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 PPE 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.
Amendment to IFRS 3, 'Business combinations'	Annual periods beginning on or after 1 January 2022	The Board has updated IFRS 3, 'Business combinations', to refer to the 2018 Conceptual Framework for Financial Reporting, in order to determine what constitutes an asset or a liability in a business combination.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 (continued)

Number	Effective date	Effective date
Asset or liability in a business combination clarity	(Published May 2020)	In addition, the Board added a new exception in IFRS 3 for liabilities and contingent liabilities. The exception specifies that, for some types of liabilities and contingent liabilities, an entity applying IFRS 3 should instead refer to IAS 37, 'Provisions, Contingent Liabilities and Contingent Assets', or IFRIC 21, 'Levies', rather than the 2018 Conceptual Framework. The Board has also clarified that the acquirer should not recognise contingent assets, as defined in IAS 37, at the acquisition date.
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)"	"Annual periods beginning on or after 1 January 2023. Earlier application is permitted. (Published May 2021)"
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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (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 properties

The Group carries its investment properties 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 S.I 142 of June 2019 introduced the Zimbabwean dollar (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 United States dollars (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 2022. 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 credit losses (ECL)

The Group uses a provision matrix to calculate ECLs for 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions. (continued)

Estimates and assumptions (continued)

iii. Allowance for credit losses (ECL) (continued)

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 customer's 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 2022 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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Significant accounting judgments, estimates and assumptions. (continued)

Estimates and assumptions (continued)

vii) Investment properties without title deeds

Fifteen (15) properties have no title deeds. Of these, six (6) 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 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 got 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 2022."

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 retranslated 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 into 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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

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 of icing sugar, caster 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 7 days upon delivery.

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

Sale of goods to collecting customers

Revenue is recognised when the business 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 business is limited to the transfer of possession of the goods at company premises through loading of the customer's vehicle/carriage.

Sales of goods to customers with delivery

Revenue is recognised when the business has satisfied two performance obligations being (a) delivery of the goods to the customer's premises at the business'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.

• 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

b) Revenue from contracts with customers (continued)

• Rights of return (continued)

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 business draws its estimates, and then raises an allowance for such returns. At each reporting date, the business 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% (2021 : 0.20%) 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 ZWL\$40,157 (2021 : ZWL\$16,922) 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 contract. 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 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 properties 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.

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, wages. The Group also recognises costs related to rental of properties such as management fees in its cost of sales.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

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.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

g) Taxes

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 other comprehensive income (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.

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

Financial assets at amortised cost (debt instruments)(continued)

Financial assets at amortised cost are subsequently measured using the effective interest (EIR) method and are subject to impairment. 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 includes 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 expected credit losses (ECLs) 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 loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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)(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.

j) Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

j) Financial liabilities (continued)

Subsequent measurement

The measurement of financial liabilities depends on their classification as follows:

Loans and borrowings

After initial recognition, interest bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method (EIR) 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) Compound Financial Instruments

Initial recognition and measurement

Compound financial instruments issued by the Group comprise amounts payable to creditors under the Secondary Scheme of Arrangement with creditors that can be converted to ordinary shares at the option of the holder, when the number of shares to be issued is fixed and does not vary with changes in fair value.

The liability component of compound financial instruments is initially recognised at the fair value of a similar liability that does not have an equity conversion option. The equity component is initially recognised at the difference between the fair value of the compound financial instrument as a whole and the fair value of the liability component. Any directly attributable transaction costs are allocated to the liability and equity components in proportion to their initial carrying amounts.

Subsequent measurement

Subsequent to initial recognition, the liability component of a compound financial instrument is measured at amortised cost using the effective interest method. The equity component of a compound financial instrument is not remeasured.

Interest related to the financial liability is recognised in profit or loss. On conversion at maturity, the financial liability is reclassified to equity and no gain or loss is recognised.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

l) 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 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.

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.

m) 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 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 company 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

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.

n) 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 an entity incurs in connection with the borrowing of funds. During the current year there were no borrowing costs that were capitalised to qualifying assets.

o) Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and conditions 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.

p) Cash and short-term deposits

Cash and short-term deposits 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. Cash falls into the debt instruments category and are accounted for at amortised cost.

q) Investments

(q) (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 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Summary of significant accounting policies (continued)

(q) (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's accounted for at cost.

r) Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including 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.

s) 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

t) 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 Starafrika Corporation Limited. This includes profit on 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.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

2 SUMMARIES OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Standards and Interpretations in issue but not yet effective (continued)

Reference to the Conceptual Framework – Amendments to IFRS 3

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 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.

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. 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 Group.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

3 SHARE CAPITAL AND SHARE PREMIUM

3.1 Share Capital

	INFLATION ADJUSTED		HISTORICAL(UNAUDITED)	
	2022	2021	2022	2021
	Restated		Restated	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Issued and fully paid share capital (4 808 662 335 ordinary shares of ZWL\$0.0001)	21 956 713	21 956 713	480 866	480 866
Unissued share capital	3 053 106	3 053 106	519 134	519 134

The unissued share capital is under the control of Directors and is subject to the limitations of the Companies' Act and the Zimbabwe Stock Exchange regulations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4 TOTAL REVENUE

4.1 Revenue from contracts with customers

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
	(Restated)		(Restated)	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Food Segment				
Revenue Type				
Purified sugar	12 048 518 506	7 633 616 452	9 309 885 451	3 378 700 355
Sugar specialties	1 059 933 177	1 105 719 083	826 859 746	437 972 099
Total revenue	13 108 451 683	8 739 335 535	10 136 745 197	3 816 672 454
Geographical markets				
Zimbabwe	13 092 605 746	8 581 204 639	10 120 899 260	3 763 629 549
South Africa	15 845 937	153 618 522	15 845 937	51 885 546
Democratic Republic of Congo	-	2 412 694	-	737 359
Botswana	-	2 099 680	-	420 000
Total revenue	13 108 451 683	8 739 335 535	10 136 745 197	3 816 672 454
Timing of revenue recognition				
Goods transferred at a point in time	13 108 451 683	8 739 335 535	10 136 745 197	3 816 672 454
Total revenue	13 108 451 683	8 739 335 535	10 136 745 197	3 816 672 454

During the 2022 financial year, no exports were made to the Democratic Republic of Congo or to Botswana due to business focus to satisfy local demand 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)

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
	(Restated)		(Restated)	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Year ended 31 March				
Revenue				
External customers	13 108 451 683	8 739 335 535	10 136 745 197	3 816 672 454
Inter-segment	753 679 978	1 051 550 530	593 221 586	384 693 189
	13 862 131 661	9 790 886 065	10 729 966 783	4 201 365 643
Inter-segment adjustments and eliminations	(753 679 978)	(1 051 550 530)	(593 221 586)	(384 693 189)
Total revenue	13 108 451 683	8 739 335 535	10 136 745 197	3 816 672 454

Revenue recognised in the 2022 financial year which was subject to right of return amounted to ZWL\$15 445 084 (2021 : 8 085 353). Subsequent to year end, goods with a transaction price of ZWL9956 were returned.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

4 TOTAL REVENUE (CONTINUED)

4.2 Revenue from rental income

	INFLATION ADJUSTED		HISTORICAL(UNAUDITED)	
	2022	2021	2022	2021
	(Restated)		(Restated)	
Properties Segment	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Revenue Type				
Rental income	55 433 575	35 797 804	44 203 429	16 225 204
Total revenue	55 433 575	35 797 804	44 203 429	16 225 204
Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 19)				
Revenue				
External customers	55 433 575	35 797 804	44 203 429	16 225 204
Inter-segment	196 492	368 235	143 460	143 460
	55 630 067	36 166 039	44 346 889	16 368 664
Inter-segment adjustments and eliminations	(196 492)	(368 235)	(143 460)	(143 460)
Total revenue	55 433 575	35 797 804	44 203 429	16 225 204
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:				
Obligation to transfer goods for advance consideration received from customers	249 536 044	40 476 269	249 536 044	23 437 983

Contract liabilities for sale of goods contracts have increased from ZWL\$40 476 269 in 2021 to ZWL\$241 536 044 in 2022. 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 2022

5 NON-DISTRIBUTABLE RESERVES

	GROUP				
INFLATION ADJUSTED	Foreign currency translation reserve ZWL\$	Foreign currency conversion reserve ZWL\$	Asset revaluation ZWL\$	Functional Currency ZWL\$	TOTAL ZWL\$
Balance at 31 March 2020	-	-	-	-	-
Revaluation of land and buildings	-	-	(78 365 305)	-	(78 365 305)
Impairment of previously revalued assets	-	-	(64 720 605)	-	(64 720 605)
Income tax relating to components of other comprehensive income	-	-	35 370 837	-	35 370 837
Foreign currency translation reserve	269 839 417	-	-	-	269 839 417
Adjustment for impairment of previously revalued assets (Note 24.1)	-	-	48 721 672	-	48 721 672
Adjustment for revaluation loss of property, plant and equipment (Note 24.1)	-	-	58 993 401	-	58 993 401
Balance at 31 March 2021 (Restated)	269 839 417	-	-	-	269 839 417
Revaluation of property and plant	-	-	302 959 261	-	302 959 261
Deferred tax on revaluation of property and plant	-	-	(74 891 529)	-	(74 891 529)
Foreign currency translation reserve	76 314 887	-	-	-	76 314 887
Balance at 31 March 2022	346 154 304	-	228 067 732	-	574 222 036
HISTORICAL (UNAUDITED)	GROUP				
Balance at 31 March 2020	45 676 667	(8 775 320)	194 902 242	18 282 480	250 086 069
Revaluation of land and buildings	-	-	509 385 598	-	509 385 598
Impairment of previously revalued assets	-	-	(116 671 517)	-	(116 671 517)
Income tax relating to components of other comprehensive income	-	-	(37 413 443)	-	(37 413 443)
Foreign currency translation reserve	156 251 845	-	-	-	156 251 845
Functional currency translation reserve	-	-	-	-	-
Balance at 31 March 2021 (Restated)	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 at 31 March 2022	278 243 399	-	1 084 349 770	-	1 362 593 169

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

5 NON-DISTRIBUTABLE RESERVES (CONTINUED)

	COMPANY				TOTAL ZWL\$
	Foreign currency translation reserve ZWL\$	Foreign currency conversion reserve ZWL\$	Asset revaluation ZWL\$	Functional Currency ZWL\$	
HISTORICAL (UNAUDITED)					
Balance at 31 March 2020	-	28 945 097	-	276 312	29 221 409
Balance at 31 March 2021 (Restated)	-	28 945 097	-	276 312	29 221 409
Reclassification of foreign currency reserves	-	(28 945 097)		(276 312)	(29 221 409)
Balance at 31 March 2022	-	-	-	-	-

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 to the United States 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 property and plant 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 2022 (refer to note 9).

Functional currency reserve

This arose as a result of change in functional currency from the United States Dollar to the Real Time Gross Settlement Dollar 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6 PROFIT BEFORE TAXATION

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

	Notes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2022	2021	2022	2021	2022	2021	2022	2021
		(Restated*)		(Restated*)		(Restated*)		(Restated*)	
		ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
6.1 Cost of sales									
Direct employment costs		371 142 917	211 963 832	-	-	285 321 501	95 660 136	-	-
Basic wages and salaries		312 722 881	189 229 500	-	-	240 410 251	85 400 040	-	-
Allowances		23 854 934	20 761 649	-	-	18 338 827	9 369 816	-	-
Staff welfare		12 075 179	1 187 736	-	-	9 282 969	536 030	-	-
Other staff costs		22 489 923	784 947	-	-	17 289 454	354 250	-	-
Production chemicals		155 632 754	46 827 220	-	-	120 825 746	20 734 210	-	-
Fuel, oils and sundries		16 777 753	16 983 820	-	-	13 025 436	7 520 115	-	-
Raw sugar and cartage		7 798 953 541	5 878 640 916	-	-	6 066 028 600	2 601 144 862	-	-
Raw materials price variance provision		63 441 572	-	-	-	40 770 752	-	-	-
Packaging		292 843 394	80 010 838	-	-	227 349 453	35 427 291	-	-
Other overheads		8 052 733	2 493 943	-	-	6 251 753	1 104 271	-	-
Coal / steam		423 432 731	397 420 240	-	-	328 732 700	175 970 193	-	-
Plant repairs and maintenance		867 051 707	311 662 794	-	-	673 137 025	137 998 412	-	-
Electricity and water		226 352 895	171 349 081	-	-	175 729 444	75 870 144	-	-
Total cost of sales		10 223 681 997	7 117 352 684	-	-	7 937 172 411	3 151 429 633	-	-
6.2 Other income		(42 637 478)	(388 289 030)	(18 599 454)	-	(32 655 249)	(197 015 934)	(18 599 454)	-
Loss/(profit) on disposal of property, plant and equipment		(125 273)	(59 345 365)	-	-	(233 770)	(1 827 607)	-	-
Other sundry income *		(42 512 205)	(43 505 380)	-	-	(32 421 479)	(17 408 497)	-	-
Reversal of impairment on investment in Starafrika Operations		-	-	(18 599 454)	-	-	-	(18 599 454)	-
Loans write down		-	(212 154 460)	-	-	-	(139 088 505)	-	-
Insurance claim		-	(73 283 825)	-	-	-	(38 691 325)	-	-

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

6.3 Dividends received disclosed as investment income

11.1	-	-	(151 112 673)	(227 272 311)	-	-	(104 129 293)	(107 671 592)
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6.4 Selling and distribution expenses

	180 539 285	98 271 874	-	-	145 244 401	47 606 170	-	-
Merchandising	35 733 860	18 475 136	-	-	27 470 923	8 337 904	-	-
Advertising	22 783 294	8 880 595	-	-	18 329 229	4 302 056	-	-
Quantity and settlement discounts	64 723 561	31 598 366	-	-	52 070 301	15 307 301	-	-
Distribution	57 298 570	39 317 777	-	-	47 373 948	19 658 909	-	-

6.5 Administrative expenses comprise of:

6.7	817 348 323	354 937 214	-	-	670 020 991	162 358 293	-	-
6.8	64 608 462	107 123 076	-	-	50 296 268	52 049 841	-	-
6.9	543 259 391	324 673 971	85 505	-	456 086 583	147 516 655	62 340	-
9	94 066 098	60 658 466	-	-	20 490 333	6 414 410	-	-
	1 519 282 274	847 392 727	85 505	-	1 196 894 175	368 339 199	62 340	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

6 PROFIT BEFORE TAXATION

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

		INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2021	2022	2021	2022	2021	2022	2021	
		(Restated*)		(Restated*)		(Restated*)		(Restated*)	
	Notes	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
6.6 Impairment losses		-	107 912 478	-	-	21 532	19 984 609	-	-
Inventory write-down (raw sugar)	12	-	40 872 656	-	-	-	19 590 261	-	-
Impairment of burnt raw sugar warehouse	9	-	67 039 822	-	-	-	394 348	-	-
Impairment of scrapped office furniture		-	-	-	-	21 532	-	-	-
Fair value adjustment on Investment Properties		(386 640 183)	92 277 351	-	-	(737 220 000)	(324 957 984)	-	-
Allowance/(reversal) for credit losses	14.1	10 867 367	(5 319 139)	4 002 939	-	15 519 739	3 616 139	4 002 939	-
6.7 Indirect employment costs		817 348 323	354 937 214	-	-	670 020 991	162 358 293	-	-
Basic wages and salaries		84 282 562	109 859 733	-	-	64 793 442	49 580 142	-	-
Allowances		155 829 825	105 252 240	-	-	119 796 439	47 500 762	-	-
Bonuses		221 003 654	38 197 951	-	-	215 530 931	17 238 890	-	-
Social security and health insurance costs		27 604 033	6 703 113	-	-	21 221 001	3 025 142	-	-
Defined contribution plan (National Social Security Authority)		8 526 554	4 718 628	-	-	6 554 912	2 129 536	-	-
Movement in leave pay provision		71 704 905	34 420 797	-	-	71 704 905	15 534 245	-	-
Gratuity		21 227 425	-	-	-	19 966 806	-	-	-
Staff welfare		161 936 603	31 372 964	-	-	124 491 112	14 158 746	-	-
Other staff costs		65 232 762	24 411 788	-	-	25 961 443	13 190 830	-	-
6.8 Directors' emoluments:		64 608 462	107 123 076	-	-	50 296 268	52 049 841	-	-
Fees		16 670 184	39 521 504	-	-	13 047 239	19 066 291	-	-
Pension		32 113	13 975	-	-	24 860	6 222	-	-
Salaries and other benefits		47 906 165	67 587 597	-	-	37 224 169	32 977 328	-	-
6.9 Other overheads		543 259 391	324 673 971	85 505	-	456 086 583	147 516 655	62 340	-
Intermediated Money Transfer Tax (IMTT)		73 181 343	34 063 430	-	-	61 438 476	15 476 828	-	-
Auditors' remuneration		26 400 000	20 600 714	-	-	26 400 000	9 360 000	-	-
Information, Communication and Technology expenses		29 688 528	22 001 175	-	-	24 924 630	9 996 304	-	-
Value added tax on disposal of property (*Restated)		-	48 939 264	-	-	-	23 633 985	-	-
Office costs		3 129 926	12 694 108	-	-	2 627 690	5 767 609	-	-
Professional fees and subscriptions		183 320 537	19 862 062	-	-	149 668 237	9 024 391	-	-
Buildings and Furniture - Repairs and maintenance		48 991 869	44 071 475	-	-	41 130 507	20 024 015	-	-
Insurance and licences		7 365 228	7 877 587	-	-	6 183 384	3 579 207	-	-
Vehicles expenses		11 553 194	8 204 482	-	-	9 699 339	3 727 733	-	-
Bank charges		12 752 434	9 049 317	85 505	-	10 706 145	4 111 586	62 340	-
Communication expenses		3 459 270	4 517 126	-	-	2 904 187	2 052 371	-	-
Security costs		30 220 612	18 932 980	-	-	25 371 334	8 602 260	-	-
Safety, health and environmental costs		90 149 696	40 417 431	-	-	75 684 042	16 965 514	-	-
Utilities, rent and rates		22 719 827	27 089 914	-	-	19 074 145	12 308 389	-	-
Staff welfare		326 926	6 352 906	-	-	274 467	2 886 463	-	-

*Restatement of prior year financials

In the prior year, the Value Added Tax expense on the disposal of a property had been incorrectly shown in the Income Tax Expense line. This has now been corrected in the 2022 financial statements with the comparatives restated. Refer to Note 24.4(i) for the Prior Period Error note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

7 TAXATION

Notes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022	2021	2022	2021	2022	2021	2022	2021
	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)	(Restated*)
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
7 Taxation								
7.1 Income Tax								
Current year	285 486 386	32 264 599	-	-	285 486 386	39 164 632	-	-
Tax on foreign dividends	29 784 676	45 454 462	29 784 676	45 454 462	20 825 858	21 534 318	20 825 858	21 534 318
Capital Gains Tax	-	16 875 608	-	-	-	8 149 650	-	-
Deferred tax	(42 644 093)	37 429 572	(40 198 189)	24 186 238	(2 142 071)	21 904 174	(21 006 865)	22 760 158
	272 626 969	132 024 241	(10 413 513)	69 640 700	304 170 173	90 752 774	(181 007)	44 294 476
7.2 Tax reconciliation								
Opening balance at 1 April	30 884 006	134 246 260	29 718 834	5 618 683	17 883 536	22 826 522	17 208 837	955 371
Current tax charge	285 486 386	67 635 435	-	-	285 486 386	39 164 632	-	-
Tax on foreign dividends charge	29 784 676	45 454 462	29 784 676	45 454 462	20 825 858	21 534 318	20 825 858	21 534 318
Capital Gains Tax	-	16 875 608	-	-	-	8 149 650	-	-
Monetary gain	8 594 733	(78 010 248)	(18 938 808)	(12 057 128)	-	-	-	-
Tax paid	(160 944 399)	(155 317 511)	(9 671 640)	(9 297 183)	(130 390 378)	(73 791 586)	(7 141 633)	(5 280 852)
Closing balance at 31 March	193 805 402	30 884 006	30 893 062	29 718 834	193 805 402	17 883 536	30 893 062	17 208 837
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	3.49	11.20	-	-	1.47	3.52	-	-
Capital gains tax at different rate	-	3.37	-	-	-	1.60	-	-
Share of profit from associate	(1.25)	(7.32)	-	-	(0.76)	(2.81)	-	-
Associate income taxed at source	-	-	(10.78)	(24.44)	-	-	(3.49)	(2.88)
Non-deductible finance costs	0.03	6.27	0.10	-	(0.01)	0.10	(0.02)	-
Non-deductible expenses	6.07	38.86	-	-	0.19	2.00	0.01	-
Exempt income (Restated*)	(0.01)	(0.14)	(0.11)	(0.14)	0.01	(1.20)	0.18	(1.20)
Fair Value Gains taxed at lower								
CGT rate (Restated*)	(13.59)	(16.62)	-	-	(8.28)	(12.49)	(21.53)	-
Monetary loss	6.02	1.44	19.78	130.09	-	-	-	-
Effective rate of taxation	25.48	61.78	(15.74)	130.23	17.33	15.44	(0.13)	20.64

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.

*Restatement of prior year financials

The exempt income and the fair value gains taxed at lower rates have all been restated pursuant to correction of prior period errors that had occurred in the 2021 financial year. Refer to Note 24.4(ii) for the Prior Period Error Note.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

8 EARNINGS PER SHARE

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
	(Restated)		(Restated)	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Net profit attributable to equity holders of the parent	728 349 809	(7 415 135)	1 369 067 794	438 639 434
Weighted average number of ordinary shares for basic and diluted earnings / (loss) per share	Number of shares		Number of shares	
	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	728 349 809	(7 415 135)	1 369 067 794	438 639 434
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)	15.15	(0.15)	28.47	9.12
8.2 Diluted earnings per share				
Profit attributable to equity holders of the parent	728 349 809	(7 415 135)	1 369 067 794	438 639 434
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)	15.15	(0.15)	28.47	9.12
8.3 Headline earnings per share				
Headline earnings	402 622 137	223 851 078	779 752 893	314 523 918
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)	8.37	4.66	16.22	6.54
Reconciliation of earnings used in calculating headline earnings per share				
Profit attributable to equity holders of the group	728 349 809	(7 415 135)	1 369 067 794	438 639 434
Adjusted for:				
Insurance proceeds	-	(73 283 825)	-	(38 691 325)
Fair value gain on investment properties	(386 640 183)	92 277 351	(737 220 000)	(324 957 984)
Loss / (profit) on sale of property, plant and equipment	(125 273)	(59 345 365)	(233 770)	(1 827 607)
Exchange (gain) / loss	(45 922 737)	347 559 880	(45 376 864)	200 605 081
Adjusted earnings	295 661 616	299 792 906	586 237 160	273 767 600
Total tax effect on adjustments	106 960 521	(75 941 828)	193 515 733	40 756 317
Headline earnings	402 622 137	223 851 078	779 752 893	314 523 918

In the prior year and prior to the Scheme of Arrangement expiring in February 2022, the shares used for computation of diluted earnings per share were the same as those for basic earnings per share because the incremental impact of a potential 654 163 shares from outstanding scheme creditors who had conversion rights is anti-dilutive. As at 31 March 2022, 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 2022

9 PROPERTY, PLANT AND EQUIPMENT

INFLATION ADJUSTED	GROUP					
	Land and Buildings ZWL\$	Plant and Machinery ZWL\$	Commercial vehicles ZWL\$	Passenger motor vehicles ZWL\$	Furniture & equipment ZWL\$	Total ZWL\$
Cost / Valuation						
Balance at 1 April 2020 (Restated)	1 390 892 597	936 670 466	154 169	1 222 339	37 811 353	2 366 750 924
Additions	950 521	72 840 635	-	1 987 199	6 961 793	82 740 148
Disposals	(295 795 120)	(6 545 077)	-	(1 095 858)	-	(303 436 055)
Impairment -charged to profit and loss	(67 435 937)	-	-	-	-	(67 435 937)
Revaluation of property	(93 433 076)	-	-	-	-	(93 433 076)
Balance at 1 April 2021 (Restated)	935 178 985	1 002 966 024	154 169	2 113 680	44 773 146	1 985 186 004
Additions	121 631 968	236 288 824	-	21 465 370	29 440 979	408 827 141
Disposals	-	(399 768)	-	-	(59 542)	(459 310)
Impairment -charged to profit and loss	-	-	-	-	(2 962 304)	(2 962 304)
Revaluation of property	288 899 047	-	-	-	-	288 899 047
Balance at 31 March 2022	1 345 710 000	1 238 855 080	154 169	23 579 050	71 192 280	2 679 490 579
Accumulated depreciation						
Balance at 1 April 2020 (Restated)	-	463 983 827	154 169	1 096 523	12 262 921	477 497 439
Depreciation charge for the period	17 201 376	37 683 654	-	549 539	5 223 897	60 658 466
Depreciation reversal on revaluation	(15 067 772)	-	-	-	-	(15 067 772)
Disposals	(1 737 488)	(4 422 675)	-	(1 095 858)	-	(7 256 021)
Depreciation reversal on scrapping of assets	(396 116)	-	-	-	-	(396 116)
Balance at 1 April 2021 (Restated)	-	497 244 806	154 169	550 204	17 486 818	515 435 997
Depreciation charge for the period	14 060 214	64 458 614	-	3 323 753	12 223 517	94 066 098
Depreciation reversal on revaluation	(14 060 214)	-	-	-	-	(14 060 214)
Disposals	-	(256 513)	-	-	(59 542)	(316 055)
Depreciation reversal on scrapping of assets	-	-	-	-	(1 979 155)	(1 979 155)
Balance at 31 March 2022	-	561 446 907	154 169	3 873 958	27 671 638	593 146 672
Net Book Value 31 March 2022	1 345 710 000	677 408 173	-	19 705 092	43 520 642	2 086 343 907
Cost / valuation	1 345 710 000	1 238 855 080	154 169	23 579 050	71 192 280	2 679 490 579
Accumulated depreciation and impairment loss	-	(561 446 907)	(154 169)	(3 873 958)	(27 671 638)	(593 146 672)
Net Book Value 31 March 2021 (Restated)	935 178 985	505 721 218	-	1 563 476	27 286 328	1 469 750 007
Cost / valuation	935 178 985	1 002 966 024	154 169	2 113 680	44 773 146	1 985 186 004
Accumulated depreciation and impairment loss	-	(497 244 806)	(154 169)	(550 204)	(17 486 818)	(515 435 997)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

HISTORICAL (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 at 1 April 2020 (Restated)	236 500 000	25 435 065	3 376	26 770	1 287 147	263 252 358
Additions	439 800	30 740 199	-	744 845	1 570 297	33 495 141
Disposals	(163 493 000)	(120 841)	-	(24 000)	-	(163 637 841)
Impairment loss of an asset	(37 913 451)	-	-	-	-	(37 913 451)
Revaluation of property	505 986 651	-	-	-	-	505 986 651
Balance at 1 April 2021 (Restated)	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 at 31 March 2022	1 345 710 000	262 532 781	3 376	15 021 588	26 906 241	1 650 173 986
Accumulated depreciation						
Balance at 1 April 2020 (Restated)	-	10 305 746	3 376	23 113	327 377	10 659 612
Depreciation charge for the period	4 004 607	1 722 401	-	109 716	577 686	6 414 410
Depreciation reversal on revaluation	(3 398 947)	-	-	-	-	(3 398 947)
Disposals	(500 000)	(74 360)	-	(24 000)	-	(598 360)
Depreciation reversal on scrapping of assets	(105 660)	-	-	-	-	(105 660)
Balance at 1 April 2021 (Restated)	-	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	2 749 092	20 490 333
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 at 31 March 2022	-	15 566 633	3 376	1 828 734	3 609 504	21 008 248
Net Book Value 31 March 2022	1 345 710 000	246 966 148	-	13 192 854	23 296 737	1 629 165 738
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)	(3 609 504)	(21 008 248)
Net Book Value 31 March 2021 (Restated)	541 520 000	44 100 636	-	638 786	1 952 381	588 211 803
Cost / valuation	541 520 000	56 054 423	3 376	747 615	2 857 444	601 182 858
Accumulated depreciation and impairment loss	-	(11 953 787)	(3 376)	(108 829)	(905 063)	(12 971 055)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

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

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	GROUP		GROUP	
	2022	2021 (Restated)	2022	2021 (Restated)
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Impairment loss				
Recognised through statement of profit and loss (note 6)	983 149	67 039 822	21 531	394 348
Depreciation reversal on scrapping (note 9)	1 979 155	396 116	43 345	105 660
Impairment charged to Profit and Loss and OCI	-	-	-	37 413 443
Impairment on cost of assets (as per note 9 above)	2 962 304	67 435 938	64 876	37 913 451
(b) Reconciliation of revaluation of land and buildings				
	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	GROUP		GROUP	
	2022	2021	2022	2021
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Adjustment to the gross carrying amount (note 9)	288 899 047	(93 433 076)	696 488 807	505 986 651
Reversal of depreciation (note 9)	14 060 214	15 067 772	12 402 871	3 398 947
Revaluation adjustment in Profit and Loss and OCI	302 959 261	(78 365 304)	708 891 678	509 385 598

9.1 Impairment indicators assessment

In assessing for impairment management considers financial indicators which include:

- Market Capitalisation – The Group's market capitalisation as at 31 March 2022 was ZWL6.7billion which was higher than the net asset value of ZWL3.64billion.
- 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 – 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 business does not anticipate to have any negative cash flows in the foreseeable future.
- Slow collections from debtors – not the case with the Group. The debtors collection days have actually reduced in the current year from 14 to 7 days.

Operational indicators

- Level of production – The Group had an increase in production in the current year from 59 571 tonnes in the prior year to 82 399 tonnes in the 2022 financial year.
- Level of sales in the market – The Group had an increase in sales volumes in the current year from 60,388 tonnes in the prior year to 82 500 tonnes in the 2022 financial year.

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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

9.2 Property provided as security

In the current year, the Group did not have any property that had been provided as security with respect to loans (2021 : ZWL\$ nil)

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 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 2021 and the fair value as at 31 March 2022 was deemed to be the revaluation in ZWL terms and was classified under other comprehensive income.

At date of revaluation, 31 March 2022, the properties' fair values were determined by Dawn Properties Consultants, an accredited independent valuer. The valuations performed by the valuer are based on active market prices, significantly adjusted for difference 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 rents or leases) producing properties. The income generated by the property is used in conjunction with the capitalisation rate to estimate the property 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 property 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 company - 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		Valuation technique	Significant unobservable inputs			
			Rental/Price per sq metre ranges		Capitalisation rates/MSE factor ranges	
			2022	2021	2022	2021
Commercial	Buildings	Income approach (implicit)	\$160-\$1,080	\$84-\$380	12%-13.5%	11%-13%
	Land	Comparative approach	\$10-\$50	\$4-\$14	12%-13.5%	11%-13%

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FOR THE YEAR ENDED 31 MARCH 2022

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 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.

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		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
	(Restated)		(Restated)	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Fair value measurement using significant unobservable inputs (Level 3)				
Commercial buildings	1 300 070 000	907 616 834	1 300 070 000	525 560 000
Commercial land	45 640 000	27 562 151	45 640 000	15 960 000
Total	1 345 710 000	935 178 985	1 345 710 000	541 520 000
Reconciliation of fair value:				
As at 1 April	935 178 985	1 390 892 595	541 520 000	236 500 000
Remeasurement recognised in profit or loss (depreciation)	(14 060 214)	(84 241 196)	(12 402 871)	(41 812 398)
Remeasurement recognised in profit or loss (revaluation loss)	-	(78 365 304)	-	-
Remeasurement recognised in other comprehensive income (revaluation gain)	302 959 261	-	708 891 678	509 385 598
Disposals	-	(294 057 631)	-	(162 993 000)
Additions	121 631 968	950 521	107 701 193	439 800
As at 31 March	1 345 710 000	935 178 985	1 345 710 000	541 520 000

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

9 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
		(Restated)		(Restated)
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
If land and buildings were measured using the cost model, the carrying amounts would be as follows:				
Cost	1 448 748 765	1 448 748 765	31 728 540	31 728 540
Accumulated depreciation	(116 518 021)	(87 543 045)	(2 551 821)	(1 917 250)
Net carrying amount	1 332 230 744	1 361 205 720	29 176 719	29 811 290

If the revaluation adjustment had been 5% up or down, the Group's other comprehensive income would have been ZWL\$ 11 403 387 (March 2021: ZWL\$ 2 149 723) higher or lower the reported position. The Statement of Financial Position would be ZWL\$ 14 444 952 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 meter 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 2022. 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
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
2022						
Rental per square metre	134 571 000	(134 571 000)	101 305 049	(101 305 049)	101 305 049	(101 305 049)
Capitalisation rate	(224 285 000)	149 523 333	(168 841 748)	112 561 165	(168 841 748)	112 561 165

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
	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
2021						
Rental per square metre	77 673 885	(77 673 885)	73 790 191	(73 790 191)	73 790 191	(73 790 191)
Capitalisation rate	(70 612 623)	86 304 317	(67 081 992)	81 989 101	(67 081 992)	81 989 101

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.

Increases/(decreases) in the capitalisation rates in isolation would result in a lower/(higher) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021	2022	2021
	(Restated)		(Restated)	
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Balance at 1 April	832 839 818	925 117 169	482 260 000	157 302 017
Valuation gain on investment property	386 640 182	(92 277 351)	737 220 000	324 957 983
Balance at 31 March	1 219 480 000	832 839 818	1 219 480 000	482 260 000

Investment properties were valued by Dawn Property Consultancy an accredited independent valuer. Dawn Property Consultancy 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.

Fifteen (15) properties have no title deeds. Of these, six (6) 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 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.

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 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 property values are capitalisation rate and the net annualised rental income.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 reintroduction of the Zimbabwe Dollar (ZWL) through Statutory Instrument 142 of 2019 effective 24 June 2019 has led to the demonetisation of the Multiple Currency Regime. 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		Valuation technique	Significant unobservable inputs			
			Rental/Price per sq metre ranges		Capitalisation rates/MSE factor ranges	
			2022	2021	2022	2021
Commercial	Buildings	Income approach (implicit)	\$160-\$1,080	\$84-\$380	12%-13.5%	11%-13%
	Land	Comparative approach	\$10-\$50	\$4-\$14	12%-13.5%	11%-13%
Residential	Buildings	Comparative approach	\$1,290-\$6,900	\$460-\$2,450	64sqm - 184sqm (MSE factor)	64sqm - 184sqm (MSE factor)
	Land	Comparative approach	\$1,440-\$6,000	\$460-\$2,450	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 Main Space Equivalent (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 (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."

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

10 INVESTMENT PROPERTY (CONTINUED)

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021 (Restated)	2022	2021 (Restated)
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Income and expenses relating to investment property				
Rental income	55 433 575	35 797 804	44 203 429	16 225 204
Direct operating costs incurred in generating the rental income	(4 465 949)	(23 339 613)	(3 535 147)	(12 393 386)

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 12months which are renewable only with the express agreement of the company 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;

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022	2021 (Restated)	2022	2021 (Restated)
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Fair value measurement using significant unobservable inputs (Level 3)				
Commercial	1 183 310 000	812 150 934	1 183 310 000	470 280 000
Residential	36 170 000	20 688 884	36 170 000	11 980 000
Total	1 219 480 000	832 839 818	1 219 480 000	482 260 000

The total value of land included in commercial properties is ZWL\$257,305,000 (2021 : ZWL\$176,236,301) and in residential properties is ZWL\$8,288,000 (2021 : ZWL\$3,704,110)

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 2022

10 INVESTMENT PROPERTY (CONTINUED)

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

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	121 948 000	(121 948 000)	115 850 600	(115 850 600)	115 850 600	(115 850 600)
Vacancy rate	(15 003 020)	15 003 020	(3 223 232)	13 223 232	(13 223 232)	13 223 232
Capitalisation Rate	(110 861 818)	135 497 778	(105 318 727)	128 722 889	128 722 889	128 722 889

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\$
2021						
Rental per square metre	70 612 623	(70 612 623)	67 081 992	(67 081 992)	67 081 992	(67 081 992)
Vacancy rate	(2 143 289)	2 143 289	(1 889 033)	1 889 033	(1 889 033)	1 889 033
Capitalisation rate	(64 193 294)	78 458 470	(60 983 629)	74 535 547	(60 983 629)	74 535 547

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.

Increases/(decreases) in the capitalisation rates in isolation would result in a lower/(higher) fair value measurement.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

11 INVESTMENTS

11.1 Investment in associate

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP				COMPANY			
	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$
Investment at cost	-	-	4 533 151	4 533 151	-	-	99 279	99 279
Associate's statement of financial position:								
Non-current assets	117 554 595	128 094 751	-	-	117 554 595	74 173 897	-	-
Current assets	747 628 358	1 138 165 785	-	-	747 628 358	659 060 507	-	-
Current liabilities	(269 972 876)	(382 421 864)	-	-	(269 972 876)	(221 443 265)	-	-
Non-current liabilities	(12 056 571)	(14 004 827)	-	-	(12 056 571)	(8 109 565)	-	-
Net assets	583 153 506	869 833 845	-	-	583 153 506	503 681 574	-	-
Share of the associate's statement of financial position:	194 384 502	289 944 615	-	-	194 384 502	167 893 858	-	-
Revenue	2 688 519 006	2 921 376 236	-	-	2 688 519 006	1 691 637 305	-	-
Cost of sales	(2 304 743 541)	(2 317 985 498)	-	-	(2 304 743 541)	(1 342 240 925)	-	-
Administrative expenses	(173 135 686)	(143 499 547)	-	-	(173 135 686)	(83 094 120)	-	-
Finance costs	(1 771 099)	-	-	-	(1 771 099)	-	-	-
Finance Income	-	1 886 404	-	-	-	1 092 332	-	-
Profit before tax	208 868 680	461 777 595	-	-	208 868 680	267 394 592	-	-
Income tax expense	(45 953 529)	(101 593 539)	-	-	(45 953 529)	(58 828 239)	-	-
Profit for the year	162 915 151	360 184 056	-	-	162 915 151	208 566 353	-	-
Total comprehensive income	162 915 151	360 184 056	-	-	162 915 151	208 566 353	-	-
Group's share of total comprehensive income for the year	54 305 050	120 061 352	-	-	54 305 050	69 522 118	-	-
Dividend received from associate	151 112 673	227 272 311	151 112 673	227 272 311	104 129 293	107 671 592	104 129 293	107 671 592
Reconciliation of investment in associate	289 944 615	292 831 341	-	-	167 893 858	49 791 487	-	-
Balance at 1 April	54 305 050	120 061 352	-	-	54 305 050	69 522 118	-	-
Share of profits	(151 112 673)	(227 272 311)	-	-	(104 129 293)	(107 671 592)	-	-
Effects of changes in exchange rates	76 314 887	269 839 418	-	-	76 314 887	156 251 845	-	-
Monetary loss	(75 067 377)	(165 515 185)	-	-	-	-	-	-
Balance at 31 March	194 384 502	289 944 615	-	-	194 384 502	167 893 858	-	-

The 55% decrease in the total comprehensive income of the associate is mainly as a result of a decrease in the revenue of the unit 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 2022

11 INVESTMENTS

11.2 Investments in subsidiaries

		INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$	2022 ZWL\$	2021 (Restated*) ZWL\$
Subsidiary	Ownership								
Starafrica Operations (Private) Limited	100%	-	-	18 599 454	-	-	-	18 599 454	-
Red Star Holdings Limited **	100%	-	-	-	-	-	-	-	-
Silver Star Properties (Private) Limited - 11.2 (a)	100%	-	-	848 245 542	848 245 542	-	-	18 577 129	18 577 129
Starafrica International Limited **	100%	-	-	94	94	-	-	2	2
Namibstar Trading (Proprietary) Limited **	100%	-	-	594	594	-	-	13	13
		-	-	866 845 684	848 246 230	-	-	37 176 598	18 577 144
** - subsidiaries are dormant									
Reconciliation of carrying amounts of investments in subsidiaries									
Opening carrying amount of investments		-	-	848 246 230	848 246 230	-	-	18 577 144	18 577 144
Reversal of impairment losses previously recognised	11.2(b)	-	-	18 599 454	-	-	-	18 599 454	-
Closing carrying amount of investments		-	-	866 845 684	848 246 230	-	-	37 176 598	18 577 144

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

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

11.2(b) Impairment loss reversal recognised on investment in Starafrica Operations

The carrying amount of the investment in Starafrica Operations was impaired to nil value in 2014 when the subsidiary had gone into negative equity and consistently generating negative cash flows. In the 2022 financial year, management assessed for indications that causes of previously recognised impairment loss no longer existed or have significantly reduced. Indications of possible reversal were identified being, mainly that the subsidiary had returned to positive equity position and started generating positive cash flows. The Value in Use of (VIU) of Starafrica Operations was determined and quantified. An impairment reversal was then processed which was limited to the carrying amount of the investment prior to the recognition of the impairment loss as the recoverable amount, determined through Value In Use (VIU) had been higher than this previous carrying amount. The negative cashflows are unlikely to recur into the future and the investment in subsidiary has, consequently, had the impairment losses previously recognised now been reversed.

The impairment loss reversal was recognised in the Statement of Profit and Loss and disclosed under the line item 'Other Income' and then explicitly disclosed in the disaggregation of Note 6.1 - Other Income referenced as 'Reversal of impairment on investment in Starafrica Operations'. "

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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		HISTORICAL (UNAUDITED)	
		2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Safariland Investments (Private) Limited	Zimbabwe	30%	30%	30%	30%
Accumulated balances of material non controlling interest					
Name					
Safariland Investments (Private) Limited		349 989 545	281 032 985	165 047 849	83 235 679
Profit allocated to material non controlling interest					
Name					
*Safariland Investments (Private) Limited		68 956 559	89 082 924	81 812 170	58 351 333
Summarised statement of profit or loss - Safariland Investments (Private) limited					
Revenue		-	-	-	-
Other income		159 684 474	275 551 925	116 586 330	107 351 878
Administrative expenses		(3 795 931)	-	(3 795 931)	-
Fair value adjustment on investment property		84 364 177	(32 701 435)	172 100 000	79 690 000
Profit before tax		240 252 720	242 850 491	284 890 399	187 041 878
Income tax		(10 397 526)	54 092 591	(12 183 164)	7 462 564
Profit for the year		229 855 194	296 943 081	272 707 235	194 504 442
Total comprehensive income		229 855 194	296 943 081	272 707 235	194 504 442
Attributable to non controlling interest		68 956 559	89 082 924	81 812 170	58 351 333
Summarised statement of financial position - Safariland Investments (Private) limited					
Investment property		292 790 000	208 425 823	292 790 000	120 690 000
Trade and other receivables		272 117 895	275 150 435	272 117 895	159 327 215
Cash and cash equivalents		-	484	-	280
Trade and other payables		(114 998)	(198 593)	(114 998)	(114 996)
Deferred Tax		(14 639 500)	(4 241 975)	(14 639 500)	(2 456 336)
Total equity		550 153 397	479 136 174	550 153 397	277 446 163
Attributable to:					
Equity holders of the parent		-	-	-	-
Non controlling interest		349 989 545	281 032 984	165 047 849	83 235 679
Summarised cash flow information - Safariland Investments (Private) limited					
Profit / (loss) Profit/ (loss)before tax		240 252 720	242 850 491	284 890 399	187 041 878
Unrealised exchange gain		(159 684 474)	(275 551 925)	(116 586 330)	(107 351 878)
Valuation gain on investment property		(84 364 177)	32 701 435	(172 100 000)	(79 690 000)
Decrease/ (Increase) in accounts receivable		3 795 931	-	3 795 931	-
Cash generated / (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 2022

12. INVENTORIES

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Raw materials	108 335 067	332 856 923	-	-	107 578 648	184 201 974	-	-
Work in progress	41 970 432	79 171 459	-	-	41 970 432	45 844 624	-	-
Finished product/wholesale merchandise	340 024 896	57 204 932	-	-	339 154 082	32 746 531	-	-
Consumables	130 298 862	77 946 393	-	-	127 839 243	43 465 030	-	-
Total inventories at the lower of cost and net realisable value	620 629 258	547 179 707	-	-	616 542 405	306 258 159	-	-

There were nil inventory write down during the current year. In 2021 inventory amounting to ZWL\$ 40 872 656 (inflation adjusted) was impaired and recognised as an expense as a result of 730 tonnes raw sugar lost in a fire incident of 30 August 2020.

The amount of inventory expensed during the year is ZWL\$8 000 018 163 (inflation adjusted) (2021: ZWL\$ 7 122 418 619).

13. Receivables and Prepayments

13.1 Trade and other receivables

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Trade receivables	229 055 409	254 559 999	-	-	229 055 409	147 404 222	-	-
Allowance for credit losses	(21 919 576)	(11 052 209)	(4 002 939)	-	(21 919 575)	(6 399 836)	(4 002 939)	-
Receivables for disposed assets	121 788	210 321	-	-	121 788	121 788	-	-
Value added tax	219 098 659	75 141 751	-	-	219 098 659	43 511 202	-	-
Other receivables	1 847 563	56 296 312	-	-	1 847 563	32 598 655	-	-
Amounts owed by related parties (note 21.6)	-	-	400 293 916	446 444 287	-	-	400 293 915	258 515 764
	428 203 843	375 156 174	396 290 977	446 444 287	428 203 844	217 236 031	396 290 976	258 515 764

Impairment

The above trade and other receivables are net of allowance for credit losses of ZWL\$21 919 575 (2021: ZWL\$11 052 209).

As at 31 March 2022, the Group did not hold any security on trade and other receivables.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

13 Receivables and Prepayments

13.1 Trade and other receivables

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Reconciliation of the allowance for credit losses								
Opening balance as at 1 April	11 052 209	16 371 348	-	-	6 399 836	2 783 697	-	-
Charge for the year	10 867 367	(5 319 139)	4 002 939	-	15 519 739	3 616 139	4 002 939	-
Closing balance as at 31 March	21 919 576	11 052 209	4 002 939	-	21 919 575	6 399 836	4 002 939	-
13.2 Prepayments and Deposits								
Capital Expenditure	217 896 714	7 433 455	-	-	198 011 582	4 170 458	-	-
Production inputs and spares	210 710 307	73 950 431	-	-	203 317 823	40 694 218	-	-
Raw materials	112 040 007	11 286 538	-	-	109 194 417	6 075 462	-	-
Other services	9 943 879	20 484 379	-	-	9 267 253	9 860 997	-	-
	550 590 907	113 154 803	-	-	519 791 075	60 801 135	-	-

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 2022

14 NOTES TO THE STATEMENTS OF CASH FLOWS

14.1 Cash used in operations	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
(Loss)/profit before tax	1 069 933 337	405 717 202	(66 152 234)	53 475 098	1 755 050 138	611 377 526	140 794 606	214 614 875
Depreciation	94 066 099	60 658 466	-	-	20 490 333	6 414 410	-	-
Valuation (gain)/loss on investment property	(386 640 183)	92 277 351	-	-	(737 220 000)	(324 957 984)	-	-
Impairment on plant and equipment	983 149	2 319 215	-	-	21 532	394 347	-	-
Impairment reversal of Investment in Subsidiary	-	-	(18 599 454)	-	-	-	(18 599 454)	-
Allowance for credit losses (Note 13)	10 867 367	(5 319 139)	4 002 939	-	15 519 739	3 616 139	4 002 939	-
Loans restructuring	-	(617 683 108)	-	-	-	(355 829 086)	-	-
Monetary loss	687 028 660	282 003 572	253 331 129	358 531 934	-	-	-	-
Unrealised exchange (gain)/loss	(50 178 947)	337 314 391	(21 815 739)	(184 429 773)	(50 178 947)	194 564 501	(21 815 740)	(106 794 969)
(Profit)/loss on disposal of assets	(125 273)	(59 345 365)	-	-	(233 770)	(1 827 607)	-	-
Dividends received from associate	-	-	(151 112 673)	(227 272 311)	-	-	(104 129 293)	(107 671 592)
Share of profit of an associate	(54 305 050)	(120 061 352)	-	-	(54 305 050)	(69 522 118)	-	-
	1 371 629 159	377 881 233	(346 032)	304 948	949 143 974	64 230 128	253 058	148 314
14.2 Net finance cost								
Finance income	(370 930)	(304 948)	(367 633)	(304 948)	(278 238)	(148 314)	(278 238)	(148 314)
Finance cost (note 14.2a)	1 445 566	104 279 910	1 343 665	-	881 632	45 217 636	810 481	-
	1 074 636	103 974 962	976 032	(304 948)	603 394	45 069 322	532 243	(148 314)

14.2a In the prior year ended 31 March 2021 outstanding significant long-term balances (Note 15) resulted in higher finance costs in that year. The loans were paid off at the end of year 2021, hence the reduced finance costs for the year ended 31 March 2022.

14.2b The current year Finance Cost is made up of ZWL1,343,665 actually paid (as per Cash Flow Statement) which arose from a creditor that charged interest on the balances due to them. None of the finance costs arising from loans and borrowings were actually paid in the 2022 financial year.

14.3 Working capital changes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
(Increase)/Decrease in inventories	(73 449 552)	164 257 846	-	-	(310 284 247)	(193 754 545)	-	-
(Increase)/Decrease in accounts receivable	(501 351 140)	150 759 558	46 150 371	(101 069 205)	(685 477 491)	(182 581 558)	(141 778 151)	(200 097 571)
Increase/(Decrease) in accounts payable	191 305 952	2 301 403	(120 140)	(686 545)	558 997 701	334 032 842	-	-
	(383 494 740)	317 318 807	46 030 231	(101 755 750)	(436 764 037)	(42 303 261)	(141 778 151)	200 097 571
Cash used in operations	989 209 055	799 175 002	46 660 231	(101 755 750)	512 983 331	66 996 189	(140 992 849)	200 097 571
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:								
Cash and bank balances	414 994 374	399 996 984	7 552 413	52 281 925	414 994 374	231 620 225	7 552 413	30 274 106

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

15 BORROWINGS

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	GROUP		GROUP	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
15.1 Long term borrowings				
Con-current Creditors	759 002	2 318 091	759 002	1 342 302
less current portion of long term loans	(759 002)	(2 318 091)	(759 002)	(1 342 302)
	-	-	-	-
15.2 Short term borrowings				
Con-current Creditors	759,002	2 318 091	759,002	1 342 302
Total interest bearing borrowings	759 002	2 318 091	759 002	1 342 302
15.3 Opening balance	2 318 091	978 841 232	1 342 302	166 436 971
Interest charged	101 901	103 720 461	71 151	44 893 685
Loans paid	(1 112 572)	(134 089 113)	(654 451)	(63 971 488)
Interest paid	-	(885 115)	-	(177 050)
Loans write down	-	(617 683 108)	-	(356 909 495)
Effect of exchange rates on foreign creditors	-	364 507 180	-	211 069 679
Monetary gain	(548 418)	(692 093 446)	-	-
Closing balance	759 002	2 318 091	759 002	1 342 302

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) 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% 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 2021, the balance outstanding to DuPont stood at USD7,000 which was then settled in April 2021. The Scheme of Arrangement, as per its terms of reference, expired in February 2022. As at 31 March 2022, the balance remaining represents amounts owed to creditors which the company has failed to locate in the last five years. Efforts to trace their whereabouts continue.

15.5 (e) Equity components of compound financial instruments

Concurrent creditors

INFLATION ADJUSTED

2022

Lender	Balance as at 1 April 2021	Derecognition of compound financial instrument	Transfer out after settlement	Closing Balance 31 March 2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Con-current creditors	4 756 197	(4 756 197)	-	-
Total	4 756 197	(4 756 197)	-	-

2021 (Restated)

Lender	Balance as at 1 April 2020	Derecognition of compound financial instrument	Transfer out after settlement	Closing Balance 31 March 2021
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Zimbabwe Sugar Sales	52 760 801	-	(52 760 801)	-
Con-current creditors	243 872 287	(205 870 827)	(33 245 263)	4 756 197
Total	296 633 088	(205 870 827)	(86 006 064)	4 756 197

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

15 BORROWINGS

15.5 Concurrent Creditors

HISTORICAL (UNAUDITED) 2022

Scheme Lender	Balance as at 1 April 2021	Derecognition of compound financial instrument	Transfer out after settlement	Closing Balance 31 March 2022
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Con-current creditors	99 792	(99 792)	-	-
Total	99 792	(99 792)	-	-

2021 (Restated)

Lender	Balance as at 1 April 2020	Derecognition of compound financial instrument	Transfer out after settlement	Closing Balance 31 March 2021
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Zimbabwe Sugar Sales	491 711	-	(491 711)	-
Con-current creditors	21 076 233	(20 103 484)	(872 957)	99 792
Total	21 567 944	(20 103 484)	(1 364 668)	99 792

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.

	INFLATION ADJUSTED		HISTORICAL	
	GROUP		GROUP	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Authorised borrowings per Articles of Association	7 495 436 952	5 292 058 970	6 780 505 422	2 657 821 938
Loans and borrowings (Note 15.1)	759 002	2 318 091	759 002	1 342 302
Excess over borrowing limit	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

16 COMMITMENTS

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 2022 are as follows:

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	GROUP		GROUP	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Within one year	661 141 954	28 020 147	661 141 954	2 406 227
Capital expenditure commitments Authorised but not contracted for	6 132 304 282	269 244 668	6 132 304 282	40 442 000

17 DEFERRED TAX

	Notes	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
		GROUP		COMPANY		GROUP		COMPANY	
		2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Opening balance at 1 April		475 299 478	461 259 018	45 591 040	21 404 802	200 345 111	61 769 421	26 399 716	3 639 559
Charge/ (credit) to profit and loss		(42 644 093)	37 429 572	(40 198 189)	24 186 238	(2 142 071)	21 904 174	(21 006 865)	22 760 157
Charge to other comprehensive income		74 891 531	(35 370 837)	-	-	174 744 788	116 671 516	-	-
Monetary loss / (gain)		-	11 981 725	-	-	-	-	-	-
Closing balance at 31 March		507 546 916	475 299 478	5 392 851	45 591 040	372 947 828	200 345 111	5 392 851	26 399 716
17.1 Analysis of deferred taxation									
Property, plant and equipment		477 309 616	354 914 008	-	-	342 710 528	131 283 225	-	-
Investment property		53 880 331	29 543 761	-	-	53 880 331	17 107 461	-	-
Compound financial instruments		-	1 113 037	-	-	-	(3 404)	-	-
Provisions		(72 326 972)	(11 669 293)	-	-	(72 326 973)	(6 757 162)	-	-
Unrealised exchange loss		48 683 941	101 397 965	5 392 851	45 591 040	48 683 941	58 714 991	5 392 851	26 399 716
Net liability at 31 March		507 546 916	475 299 478	5 392 851	45 591 040	372 947 828	200 345 111	5 392 851	26 399 716
18 PAYABLES AND PROVISIONS									
Trade payables		301 774 278	242 990 451	-	-	301 774 278	140 704 818	-	-
Provisions	18.1	339 133 028	53 587 886	-	-	339 133 028	31 030 329	-	-
Contract liabilities	4.3	249 536 044	40 476 269	-	-	249 536 044	23 437 983	-	-
Statutory obligations		60 329 356	19 372 253	-	-	60 329 356	11 217 599	-	-
Other payables		114 024 288	517 064 183	165 265	285 404	114 024 288	299 408 563	165 265	165 265
		1 064 796 995	873 491 042	165 265	285 404	1 064 796 994	505 799 292	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)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

18 PAYABLES AND PROVISIONS

		INFLATION ADJUSTED				HISTORICAL			
		GROUP		COMPANY		GROUP		COMPANY	
		2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
18.1 Provisions									
Leave pay liability		85 905 290	36 153 669	-	-	85 905 290	20 934 960	-	-
Raw materials price variation provision		40 770 752	-	-	-	40 770 752	-	-	-
Audit fees		18 750 000	16 164 270	-	-	18 750 000	9 360 000	-	-
Bonus pay		187 929 551	-	-	-	187 929 551	-	-	-
Other		5 777 435	1 269 947	-	-	5 777 435	735 369	-	-
Closing balance		339 133 028	53 587 886	-	-	339 133 028	31 030 329	-	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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 namely :
 - i. Purified sugar for household and industrial consumption produced at Goldstar Sugars Harare Refinery and
 - ii. Sugar specialties produced at Country Choice Foods comprising of icing sugar castor sugar syrups and caramel.
- * 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.

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
Year ended 31 March 2022	Food ZWL\$	Properties ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$	Food ZWL\$	Properties ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$
Revenue								
External customer	13 108 451 683	55 433 575	-	13 163 885 259	10 136 745 197	44 203 429	-	10 180 948 626
Purified sugar	12 048 518 506	-	-	12 048 518 506	9 309 885 452	-	-	9 309 885 452
Sugar specialties	1 059 933 177	-	-	1 059 933 177	826 859 746	-	-	826 859 746
Rentals	-	55 433 575	-	55 433 575	-	44 203 429	-	44 203 429
Inter-segment	753 679 978	196 492	(753 876 471)	-	593 221 586	143 460	(593 365 046)	-
Total revenue	13 862 131 661	55 630 067	(753 876 471)	13 163 885 258	10 729 966 783	44 346 889	(593 365 046)	10 180 948 626
Results								
Selling and distribution expenses	(180 539 285)	-	-	(180 539 285)	(145 244 401)	-	-	(145 244 401)
Administrative expenses	(1 485 959 093)	(34 648 323)	1 325 141	(1 519 282 275)	(1 170 607 310)	(27 354 343)	1 067 478	(1 196 894 174)
Depreciation	(80 005 884)	(14 060 214)	-	(94 066 099)	(8 087 462)	(12 402 871)	-	(20 490 333)
Finance cost	(1 445 566)	-	-	(1 445 566)	(881 632)	-	-	(881 632)
Finance income	370 930	-	-	370 930	278 238	-	-	278 238
Expected credit loss	(9 783 816)	(1 083 550)	-	(10 867 366)	(13 359 329)	(2 160 410)	-	(15 519 739)
Impairment loss	(983 149)	-	-	(983 149)	(21 532)	-	-	(21 532)
Fair value adjustment on Investment Property	-	386 640 183	-	386 640 183	-	737 220 000	-	737 220 000
Monetary gain / (loss)	1 091 320 357	(1 778 349 016)	-	(687 028 660)	-	-	-	-
Share of profit of associate	-	-	54 305 050	54 305 050	-	-	54 305 050	54 305 050
Segment Profit/ (loss) before tax	2 271 724 961	(1 256 096 674)	54 305 050	1 069 933 337	833 922 385	866 822 702	54 305 050	1 755 050 138
Income Tax	(268 981 679)	(33 429 966)	29 784 676	(272 626 969)	(241 804 166)	(41 540 148)	(20 825 858)	(304 170 173)
Assets and liabilities								
Capital expenditure	287 195 173	121 631 968	-	408 827 141	244 876 063	107 701 193	-	352 577 256
Operating assets	4 938 713 532	3 016 334 907	(2 440 421 647)	5 514 626 791	4 446 648 677	3 016 334 907	(2 440 421 647)	5 022 561 937
Operating liabilities	3 400 285 599	476 056 670	(2 109 433 955)	1 766 908 315	2 238 668 347	476 056 670	(1 082 415 792)	1 632 309 226

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

19 SEGMENT INFORMATION

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
Year ended 31 March 2021	Food ZWL\$	Properties ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$	Food ZWL\$	Properties ZWL\$	Adjustments ZWL\$	Consolidated ZWL\$
External customer	8 739 335 535	35 797 804	-	8 775 133 339	3 816 672 454	16 225 204	-	3 832 897 658
Purified sugar	7 633 616 452	-	-	7 633 616 452	3 378 700 355	-	-	3 378 700 355
Sugar specialties	1 105 719 083	-	-	1 105 719 083	437 972 099	-	-	437 972 099
Rentals -	-	35 797 804	-	35 797 804	-	16 225 204	-	16 225 204
Inter-segment	1 051 550 530	368 235	(1 051 918 765)	-	384 693 189	143 460	(384 836 649)	-
Total revenue	9 790 886 065	36 166 039	(1 051 918 765)	8 775 133 339	4 201 365 643	16 368 664	(384 836 649)	3 832 897 658
Results								
Selling and distribution expenses	(98 271 874)	-	-	(98 271 874)	(47 606 170)	-	-	(47 606 170)
Administrative expenses	(828 099 316)	(19 718 166)	424 756	(847 392 726)	(352 581 081)	(16 090 625)	332 508	(368 339 199)
Depreciation	(43 457 090)	(17 201 376)	-	(60 658 466)	(2 409 803)	(4 004 607)	-	(6 414 410)
Inventory write down	40 872 657	-	-	40 872 657	19 590 262	-	-	19 590 262
Finance income	304 948	-	-	304 948	148 314	-	-	148 314
Finance cost	(104 279 910)	-	-	(104 279 910)	(45 217 636)	-	-	(45 217 636)
Expected credit loss	4 884 111	435 028	-	5 319 139	(2 643 755)	(972 384)	-	(3 616 139)
Impairment loss	(40 872 656)	(67 039 822)	-	(107 912 478)	(19 590 261)	(394 348)	-	(19 984 609)
Fair value adjustment on Investment Property	-	(92 277 351)	-	(92 277 351)	-	324 957 984	-	324 957 984
Monetary gain / (loss)	(438 349 969)	156 346 398	-	(282 003 572)	-	-	-	-
Share of profit of associate	-	-	120 061 352	120 061 352	-	-	69 522 118	69 522 118
Segment Profit/(loss) before tax	212 030 937	(118 400 261)	120 061 352	213 692 029	218 421 289	299 800 135	69 522 118	587 743 541
Income Tax	(393 326 161)	222 446 281	(45 454 462)	(216 334 342)	(150 387 078)	57 534 637	(21 534 318)	(114 386 759)
Assets and liabilities								
Capital expenditure	81 789 627	-	-	81 789 627	33 055 341	-	-	33 055 341
Operating assets	3 573 153 313	2 069 532 106	(1 614 663 320)	4 028 022 099	1 790 887 199	1 198 372 764	(934 978 752)	2 054 281 210
Operating liabilities	2 954 388 141	296 884 467	(1 869 279 994)	1 381 992 614	1 635 873 619	171 912 414	(1 082 415 792)	725 370 241

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 those 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. Exchange losses share of profit from associate 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.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

19 SEGMENT INFORMATION

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Reconciliation of profit				
Segment profit / (loss)	1 271 168 663	919 446 441	918 751 618	438 937 842
Food	1 135 556 503	1 101 915 748	789 148 916	464 095 691
Properties	135 612 160	(182 469 307)	129 602 702	(25 157 849)
Fair value adjustment on Investment Property	386 640 183	(92 277 351)	737 220 000	324 957 984
Exchange loss	45 922 737	(347 559 880)	45 376 864	(200 605 081)
Share of profit from associate	54 305 050	120 061 352	54 305 050	69 522 118
Monetary gain / (loss)	(687 028 660)	(282 003 572)	-	-
Finance income	(1 445 566)	304 948	(881 632)	148 314
Finance cost	370 930	(104 279 910)	278 238	(45 217 636)
Profit / (loss) before tax	1 069 933 337	213 692 029	1 755 050 138	587 743 541
Reconciliation of assets				
Segment operating assets	5 320 242 290	3 738 077 493	4 828 177 435	1 886 387 352
Investment in associate	194 384 501	289 944 615	194 384 501	167 893 858
Group operating assets	5 514 626 791	4 028 022 108	5 022 561 937	2 054 281 210
Reconciliation of liabilities				
Segment operating liabilities	1 259 361 399	906 693 139	1 259 361 398	525 025 130
Deferred tax liabilities	507 546 916	475 299 478	372 947 828	200 345 111
Group operating liabilities	1 766 908 315	1 381 992 617	1 632 309 226	725 370 241

20 PENSION AND RETIREMENT BENEFITS

20.1 starafriacorporation 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		HISTORICAL (UNAUDITED)	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
National Social Security- Defined contribution plan (note 21.5)	8 558 668	4 732 603	6 579 772	2 135 758
	8 558 668	4 732 603	6 579 772	2 135 758

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

21 RELATED PARTY DISCLOSURES

21.1 Parent Company

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

On the 15th of September 2021, Investors in Africa – Takura Ventures (Pvt) Ltd and Takura III (Pvt) Ltd respectively (collectively “Takura”) purchased 2,070,213,631 and 690,071,211 shares of Starafrika Corporation Limited, which had been held by Zimbabwe Asset Management Company (ZAMCO). The total of 2,760,284,842 ordinary shares purchased represents 57.40% of the total issued share capital of the Company. Therefore, the beneficial owners of Takura have a combined shareholding of 57.40% of the total issued share capital of the Company.

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 Starafrika Corporation Limited are shown on page 124 of this report.

Takura Group entities are considered to be related parties of the Group by virtue of its 57.4% equity shareholding in Starafrika 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 companies and other related parties are disclosed below.

2022		INFLATION ADJUSTED			HISTORICAL (UNAUDITED)		
		ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Related Party (Entities under common control as Starafrika)	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	156 593 805	14 404 060	-	123 614 569	14 404 060	-
Cairns Foods Ltd	Sale of goods	266 436 374	36 797 431	-	202 411 448	36 797 431	-
Talwant Trading (Pvt) Ltd t/a Food Lover's Market Zimbabwe	Sale of goods	3 852 443	-	-	2 994 499	-	-
MC Meats (Pvt) Ltd	Sale of goods	17 638 567	-	-	12 889 495	-	-
Intro-wise Catering (Pvt) Ltd	Sale of goods	1 032 808	-	-	962 370	-	-
Takura Management Services (Private) Ltd	Management fees	116 977 942	-	105 419 297	111 989 734	-	105 419 297
		562 531 939	51 201 491	105 419 297	454 862 115	51 201 491	105 419 297
2021							
Lobel's Holdings (Pvt) Ltd	Sale of goods	24 394 391	259 909	-	13 167 677	150 501	-
Cairns Foods Ltd	Sale of goods	124 987 361	-	(185 536)	56 021 504	-	(107 435)
Talwant Trading (Pvt) Ltd t/a Food Lover's Market Zimbabwe	Sale of goods	2 308 767	-	-	869 492	-	-
MC Meats (Pvt) Ltd	Sale of goods	9 978 105	-	-	4 696 758	-	-
Intro-wise Catering (Pvt) Ltd	Sale of goods	91 128	-	-	44 008	-	-
		161 759 752	259 909	(185 536)	74 799 439	150 501	(107 435)

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 bad or doubtful debts in respect of the amounts owed by related parties.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

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:

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	GROUP		GROUP	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Transactions with other related parties				
Short term employee benefits	145 104 258	126 092 748	110 704 837	59 506 881
Post employment pension and medical benefits	181 959	-	139 382	-
Total compensation paid to key management personnel	145 286 217	126 092 748	110 844 219	59 506 881
21.5 Pension cost charged to the profit or loss during the year				
National Social Security- Defined contribution plan	8 558 668	4 732 603	6 579 772	2 135 758
	8 558 668	4 732 603	6 579 772	2 135 758

21.6 Amounts due from related parties

	INFLATION ADJUSTED				HISTORICAL (UNAUDITED)			
	GROUP		COMPANY		GROUP		COMPANY	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Starafrica Operations (Private) Limited (SAO)								
Opening balance	-	-	446 444 287	345 375 082	-	-	258 515 764	58 725 747
SAO working capital funding	-	-	333 142 394	436 883 839	-	-	229 691 646	252 979 740
Tax and other administration paid by SAO	-	-	(127 508 826)	(91 856 092)	-	-	(87 913 495)	(53 189 723)
Monetary gain	-	-	(251 783 938)	(243 958 542)	-	-	-	-
Closing balance	-	-	400 293 916	446 444 287	-	-	400 293 915	258 515 764

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 Hullet Botswana. At times, the cash is then transferred and utilised by Starafrica Operations in the purchase of raw materials and other refining consumables. This, consequently, creates intercompany balances due from Starafrica Operations. The amounts due from Starafrica Operations have got no stipulated payment terms as they are recovered through payments that Starafrica Operations makes on behalf of the Company.

QPDs, audit fees and legal fees are cash outflows which Starafrica Operations 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 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 as it is payable on demand whenever the Company has some cash outflow needs. As a result, Starafrica Operations 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 2022

22 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise of 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 financial 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 company has no interest bearing borrowing which are subject to interest rate risk.

The company has an amount owing to Concurrent Creditors of ZWL\$759,002 which accrues interest at a fixed rate of 7% per annum. As a result, there is no risk as there is no volatility of this interest rate. The business does not have any other 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 exchangerates. 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\$/ pula exchange rates respectively.

The Group has a 33.3% investment in Tongaat Hulett Botswana 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 Noncurrent Assets.

The Group also has USD denominated assets and liabilities. These balances are therefore susceptible to changes in the exchange rates between the United States Dollar (USD) and the ZWL\$ which is the Group's reporting currency. The changes are included in profit and 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 64.3% from 31 March 2021 when the official rate was at 84.11970 to the RBZ auction rate of 138.19790 to the USD at 31 March 2022. The exchange rate as shown in the below table show a steady rate of currency depreciation in the first half of the year and an increasing rate in the second half of the year.

Date	Exchange rate ZWL\$:US\$1	Currency Depreciation
31-Mar-21	84.1197	-
30-Jun-21	85.4234	2%
30-Sep-21	87.6653	3%
31-Dec-21	108.6660	24%
31-Mar-22	138.1979	27%

Date	Exchange rate ZWL\$:BWP1	Currency Depreciation
31-Mar-21	7.5714	-
30-Jun-21	7.8415	4%
30-Sep-21	7.8064	0%
31-Dec-21	9.7876	25%
31-Mar-22	12.0929	24%

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22 FINANCIAL RISK MANAGEMENT

22.2 Foreign Currency Risk (continued)

Method (continued)

- This 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\$.
- Foreign denominated assets and liabilities balances as at 31 March 2022 were taken and translated at the closing rate of ZWL\$12.09285: BWP1 and ZWL\$138.1979 : USD1 for the foreign investments and foreign currency denominated assets and liabilities respectively.
- The assumed percentage movements as stipulated in 2 above were then applied on the closing balance to show the possible outcomes

Assumptions

- The foreign investments will continue being held in the next financial year ending 31 March 2023
- The foreign based assets and liabilities will be outstanding in the financial year ending 31 March 2023
- 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 Group's share of Tongaat Hulett Botswana's net assets as at 31 March:

	2022 BWP	2021 (Restated) BWP
Investment in Associate	16 075 228	22 174 891

Year	Investment in Associate	Change in BWP rate	Effect on OCI ZWL\$	Effect on Non current assets ZWL\$
2022	BWP 289 944 620	+100%	194 395 325	194 395 325
2022	BWP 146 178 758	+50%	97 197 662	97 197 662

Year	Investment in Associate	Change in BWP rate	Effect on OCI ZWL\$	Effect on Non current assets ZWL\$
2021	BWP 22 174 891	+100%	289 944 620	289 944 620
2021	BWP 22 174 891	+170%	146 178 758	146 178 758

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.

	2022 US\$	2021 (Restated) US\$
Cash and bank balance	645 525	822 149
Receivables	13 171	13 220
Loans and borrowings	-	(736 351)
Total	658 696	99 018

Year	Investment in Associate	Change in BWP rate	Effect on OCI ZWL\$	Effect on Non current assets ZWL\$
2022	US\$ 658 696	+100%	91 030 499	91 030 499
2022	US\$ 658 69	+50%	45 515 250	45 515 250

Year	Investment in Associate	Change in BWP rate	Effect on OCI ZWL\$	Effect on Non current assets ZWL\$
2021	US\$ 99 018	+100%	14 384 411	14 384 411
2021	US\$ 99 018	+128%	4 027 635	4 027 635

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22 FINANCIAL RISK MANAGEMENT

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

	INFLATION ADJUSTED		HISTORICAL (UNAUDITED)	
	2022 ZWL\$	2021 (Restated) ZWL\$	2022 ZWL\$	2021 (Restated) ZWL\$
Net foreign exchange gain/(loss) included in other gains/(losses)	45 922 737	16 947 300	45 376 864	10 464 598
Exchange losses on foreign currency borrowing included in finance costs	-	(364 507 180)	-	(211 069 679)
Total net foreign exchange (losses) recognised in profit before income tax for the period	45 922 737	(347 559 880)	45 376 864	(200 605 081)

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 company'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. accounts 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 liabilities at 31 March based on contractual undiscounted payments

	Less than 4 months ZWL\$	4 to 12 Months ZWL\$	More than 12 months ZWL\$	Total ZWL\$
INFLATION ADJUSTED				
2022				
Short-term borrowings	759 002	-	-	759 002
Trade and other payables	1 064 796 994	-	-	1 064 796 994
Income tax payable	193 805 402	-	-	193 805 402
	1 259 361 398	-	-	1 259 361 398
2021 (RESTATED)				
Short-term borrowings	2 318 091	-	-	2 318 091
Trade and other payables	826 321 023	47 170 019	-	873 491 042
Income tax payable	30 884 006	-	-	30 884 006
	859 523 120	47 170 019	-	906 693 139
HISTORICAL (UNAUDITED)				
2022				
Short-term borrowings	759 002	-	-	759 002
Trade and other payables	1 064 796 994	-	-	1 064 796 994
Income tax payable	193 805 402	-	-	193 805 402
	1 259 361 398	-	-	1 259 361 398
2021				
Short-term borrowings	1 342 302	-	-	1 342 302
Trade and other payables	478 485 260	27 314 032	-	505 799 292
Interest payable on borrowings	17 883 536	-	-	17 883 536
	497 711 098	27 314 032	-	525 025 130

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22 FINANCIAL RISK MANAGEMENT

22.3 Liquidity Risk

The tables below summarise the maturity profile of the Group's financial assets as at 31 March:

	Less than 4 months ZWL\$	4 to 12 Months ZWL\$	More than 12 months ZWL\$	Total ZWL\$
INFLATION ADJUSTED				
2022				
Trade and other receivables	428 203 844	-	-	428 203 844
Cash and cash equivalents	414 994 374	-	-	414 994 374
	843 198 217	-	-	843 198 217
2021 (RESTATED)				
Trade and other receivables	355 403 912	19 752 262	-	375 156 174
Cash and cash equivalents	399 996 985	-	-	399 996 985
	755 400 897	19 752 262	-	775 153 159
HISTORICAL (UNAUDITED)				
2022				
Trade and other receivables	428 203 844	-	-	428 203 844
Cash and cash equivalents	414 994 374	-	-	414 994 374
	843 198 217	-	-	843 198 217
2021				
Trade and other receivables	205 798 387	11 437 645	-	217 236 031
Cash and cash equivalents	231 620 225	-	-	231 620 225
	437 418 612	11 437 645	-	448 856 256
Working capital management				

The business held ZWL\$620,629,258 worth of inventory as at 31 March 2022. This inventory is fast moving with an inventory turnover rate of just 20.85 days for the year ended 31 March 2022. If an assumption is made that all this inventory is sold to debtors, the debtor collection period for the year ended 31 March 2022 was 6.73 days. This translates to a total inventory-to-cash transformation period of 27.58 days. This, therefore, adds an additional ZWL\$620 629 258 of liquid assets to the Group's balance sheet within the first month of the ensuing period after 31 March 2022. 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 debtors and cash resources. 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, debtors' balances are monitored on an ongoing basis with the result that the Group's exposure to bad debts is not significant. Debtors which are not impaired are those still within their settlement terms or those with an alternative settlement plan that is being adhered to. An impairment 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 calibrates 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 customer's actual default in the future.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22 FINANCIAL RISK MANAGEMENT

22.4 Credit Risk (continued)

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 hold collateral as security.

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 2022 and 2021:

31-Mar-22	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	7 658 533	3 057 138	21 919 576

31-Mar-21 (Restated)	Current	30-59 days	60-89 days	90-120 days	120+ days	Total
Expected gross carrying amount at default (ZWL\$)	241 738 727	7 571 260	800 336	83 034	4 366 643	254 559 998
Expected credit loss rate (%)	2%	23%	86%	100%	100%	
Expected credit loss (ZWL\$)	4 142 569	1 771 675	688 289	83 034	4 366 643	11 052 209

Though the extent, duration and impact of the pandemic remain uncertain and depend on future developments that cannot be accurately predicted at this stage, management adopted a conservative approach in the ECL computation. A 10% COVID-19 adjustment factor was incorporated in the lifetime expected loss rate used. The Covid-19 adjustment factor was derived from both historical information and application of forward looking factors. In 2020, the Company lost 8% of sales and cash receipts anticipated from debtors during that period after major customers had stopped purchasing and some defaulted on their obligations. The rate of default increased by customers increased by 8% directly as a result of the vagaries of the Covid-19 pandemic which had caused some major customers to temporarily close and default on their obligations. As a result, management has assessed that the worst case scenario, going into the future, is an 8% increase in credit risk attributable to Covid-19 induced disruption the customers' ability to settle their obligations to the Group, as and when they fall due. Another 2% was added for conservatism as the risk of mutant variants still exists which may cause worse disruption to the company's operations than that witnessed in 2021.

22.5 Interest Risk

This is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Group has no interest bearing debt obligations which bring exposure to interest risk. In the 2021 financial year, the Group also did not have any interest bearing debt obligations.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

22 FINANCIAL RISK MANAGEMENT

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.

In an effort to manage the Group capital structure, the Group entered into a scheme of arrangement with its lenders and creditors which restructured the debt, interest rates and repayment terms.

No changes were made in the objectives, policies or processes during the year ended 31 March 2022

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%. 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.

	INFLATION ADJUSTED		HISTORICAL	
	GROUP		GROUP	
	2022	2021 (Restated)	2022	2021 (Restated)
	ZWL\$	ZWL\$	ZWL\$	ZWL\$
Loans and Borrowings-short term (Note 15.2)	759 002	2 318 091	759 002	1 342 302
Payables and provisions (Note 18)	1 064 796 995	873 491 038	1 064 796 994	505 799 292
Total debt	1 065 555 997	875 809 129	1 065 555 996	507 141 594
Equity	3 747 718 476	2 646 029 491	3 390 252 711	1 328 910 969
Capital and net debt	4 813 274 474	3 521 838 620	4 455 808 707	1 836 052 563
Gearing ratio	22%	25%	24%	28%

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 amounts.

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 2022

23 GOING CONCERN

The group's revenue has increased from ZWL\$ 8.78 billion recorded last year to ZWL\$ 13.16 billion in the current year mainly buoyed by the increase in sales volumes of granulated sugar which increased from the 60,388 tonnes sold in the prior year to 82,500 tonnes in the 2022 financial year. The group has grown the net working capital position to ZWL\$ 660.14 million, up from ZWL\$ 528.79 million in 2021 and has managed to clear all of the legacy liabilities that were weighing heavily on its balance sheet. Sales volumes of granulated sugar have significantly increased by 37% from the 60,388 tonnes sold in the prior year to 82,500 tonnes sold in the 2022 financial year. This increase was buoyed by a 38% increase in production volumes at the refinery from 59,571 tonnes recorded in 2021 to 82,399 tonnes in the year under review. 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 100,000 tonnes for the 2023 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 USD3,316,347 (ZWL\$352.58 million) on capital equipment. This equipment includes an icing packing machine, effluent treatment plant, automatic syrup filling machine, two continuous centrifugals and a dust extraction system. 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 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 an uninterrupted operations at the refinery. The business will continue to assess and anticipate the full scale impact of the Statutory Instrument 98 of 2022.

Management anticipates that the business will be able to generate positive cash flows into the future regardless of the implications of the Covid-19 pandemic and the effects of Statutory Instrument 98 of 2022 (SI 98 of 2022) 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 2023 capital and financial expenditure budget, demand for Starafrika products remains high both domestically and in the region which is expected to result in a total of ZWL\$13.2 billion in cash generated from operating activities for the full year of 2023. Management performed a scenario analysis and noted that, in the worst case scenario, brought about by the anticipated effects of Statutory Instrument 98 of 2022, the downside impact would still have the business earning positive cash flows to the tune of ZWL\$8.6 billion from operating activities. The business remains in a sound financial position with sufficient liquidity to settle its obligations as they fall due. Due to an increase in productivity and sales volumes in the prior year and that which is anticipated for the future, the business will continue generating sufficient cash flows to meet its daily working capital needs and for capital expansion.

An impact assessment of the current and historical effects of SI 98 of 2022 and the Covid-19 pandemic points to an expected minimal impact of these two factors in the foreseeable future.

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 Covid-19

The Government of Zimbabwe declared various degrees of national lockdown from 30 March 2020 in response to the World Health Organisation's declaration of the COVID – 19 outbreak as a pandemic. In FY2021, the Covid-19 pandemic caused a 3-week total shutdown in the group's operations after some of the employees had been infected.

In the 2022 financial year, the Group continued operating throughout the year due to it being in the essential services sector. A communiqué was issued to the workforce outlining the preventative measures to be taken to combat the spread of COVID-19. The Group has also engaged all its service providers and reduced personal interface. The holding of meetings internally and externally was limited to extremely urgent cases and, in any such cases, not more than three people would meet. Otherwise, all communication and interaction has been over the distance, on line, in memos, notices on notice boards, use of telephones, mobile phones etc.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

23 GOING CONCERN

Impact of Covid-19

The extent, duration and impact of the pandemic remain uncertain and depend on future developments that cannot be accurately predicted at this stage. This is despite the fact that there has been significant easing of lockdown restrictions around the country. However, the impact so far on the company's business has been marginal as the company and its key customers have continued operating during the lockdown. The supply of raw materials to the sugar refining plant was stable during the year except for packaging materials sourced from South Africa, which prolonged lead times due to lockdown restrictions in that country. Although some level of Covid-19 restrictions is still in place, such as the wearing of masks in public places, the Government continues to relax the degree of restrictions imposed. On 22 June 2022 the Government of Zimbabwe completely scrapped away the curfew restrictions which been in place. This is indicative of a softening stance the authorities are taking as the effects of the Covid-19 pandemic wear off. It is therefore anticipated that in the foreseeable future the Covid-19 pandemic will have a minimal effect on the country in general and on StarAfrica in particular.

A business Continuity Plan and a Crisis Management Task Force, chaired by the Chief Executive, was established in 2020 at the advent of the pandemic and remains in place. The committee was tasked with the following:

- Assessing, monitoring and managing the development and impact of COVID-19 in compliance with the requirements and guidelines issued by Government and local authorities.
- Contingency and response planning which takes into account business continuity, work force management and business specific risk mitigation.
- Internal and external communication of safety measures and response plans with employees, customers, suppliers, regulators/government bodies and other key stakeholders in the business.

The Company reviewed stocking levels upwards to ensure business continuity. It also pre-ordered sufficient supplies and materials including those consumables required to maintain a healthy environment (tissues, hand sanitizers, soap, masks etc.) and will continually review the impact of short-term changes to the supply chain and logistics models to avoid disruption. Pro-active cash management measures continue to be in place to ensure that the company has sufficient liquidity to weather the storm.

Impact on Statement of Financial Position

Line by line assessment on the current uncertainty (Covid-19 pandemic) may impact any of the amounts presented at 31 March 2022.

Line Description	Potential Impact
Property, plant & equipment	No impact
Accounts receivables	Low to moderate impact. Key customers such as retail, have continued to experience panic buying of the product hence have been paying quicker as the product has been turning faster. Rental collections in the property business might be affected.
Inventory	No impact
Prepayments to suppliers	No impact
Cash & cash equivalents	No impact
Trade and other payables	The Company has been negotiating with suppliers for credit terms so as to manage cash flows.

The Company has had to bear costs of creating a safer working environment. The business solvency position has not been affected as the company has renegotiated trade terms with both suppliers and customers to take into account the new COVID-19 operating environment.

Management is hopeful that measures being pursued by Government and the world at large will smother the full impact of this pandemic. The Company remains resilient as local demand for its products continues to be strong. Efforts to increase our share of the exports market have been enhanced. There have not been any major constraints in the supply of major raw inputs. The Board remains confident that the company will continue on its upward trajectory despite the current challenges emanating from COVID-19.

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 2022

24 PRIOR PERIOD ERRORS

24.1 Presentation and disclosure (International Accounting Standard 1)

In the preparation of the 2021 financial statements, some balances were incorrectly presented in the prior year financial statements. This was in terms of presentation and disclosure only per the requirements of the relevant accounting standard, without impacting the overall reported results.

(i) Disaggregation of Net Finance Costs

In the prior year, finance costs and finance income had been presented on a net basis on the face of the Statement of Comprehensive Income and in the related notes. However, IAS 1 - Presentation of Financial Statements requires that these be presented on a gross basis rather than offsetting. This has been corrected in 2022, with comparative balances being restated to show finance income separately from finance costs in both the notes to financial statements and on the face of the Statement of Comprehensive Income. The net impact of this correction is nil.

(ii) Separate disclosure of the Allowance for Expected Credit Losses

In the prior year, the Allowance for Expected Credit Losses was not presented on the face of the Statement of Comprehensive Income. These costs had been lumped up and disclosed with other costs under Administrative Expenses. However, IAS 1 - Presentation of Financial Statements and IFRS 7 - Financial Instruments : Disclosures requires that the Allowance for Expected Credit Losses be presented separately on the face of the Statement of Profit or Loss. This has been corrected in 2022, with comparative balances being restated to show Allowance for Expected Credit Loss separately on the face. The net impact of this correction is nil.

(iii) Separate disclosure of Selling and Distribution costs

Selling and distribution costs were not separately disclosed on the face of the Statement of Comprehensive Income in the 2021 financial statements. These costs had been lumped up and disclosed with other costs under Administrative Expenses. However, IAS 1 - Presentation of Financial Statements requires that the Selling & Distribution costs be presented separately on the face of the Statement of Comprehensive Income. This has been corrected in 2022, with comparative balances being restated to show Selling & Distribution costs separately on the face of the Statement of Comprehensive Income. The net impact of this correction is nil.

(iv) Impairment loss and Exchange Gains/Losses shown above the Operating Profit line

In the 2021 financial statements, Impairment losses and Exchange Gains and Losses were shown incorrectly below the Operating Profit line. This was contrary to the requirements of IAS 1 - Presentation of Financial Statements which requires that they be shown above the operating profit line. This has been corrected in 2022, with comparative balances being restated to show impairment losses and exchange gains/losses above the operating profit line. The net impact of this correction was nil.

(v) Inflation adjusted impairment and revaluation loss on raw sugar warehouse incorrectly classified.

In the 2021 financial year, an impairment and a revaluation loss were recognised when the Raw Sugar Warehouse was razed down in a fire that occurred in September 2020. The impairment and revaluation losses, for historical purposes, were correctly recorded in Other Comprehensive Income against previously recognised Revaluation Surpluses in line with the requirements of IAS 16. However, in inflation adjusted terms, these losses were also recorded under Other Comprehensive Income. Due to the application of the requirements of IAS 29 - Financial Reporting in Hyperinflationary Economies, opening balances of revaluation surpluses are eliminated to retained earnings and, so, are not available for use in adjusting for any impairment or revaluation losses. In order to provide more useful information to the users of financial statement, the appropriate accounting treatment was to recognise the impairment loss and the revaluation loss in the Statement of Profit or Loss and not in Other Comprehensive Income. This has been corrected in the 2022 financial year with the comparative balances restated to show the appropriate accounting treatment in the prior year. The correction of these errors had a nil net effect on total comprehensive income for the year and retained earnings. However, the correction resulted in lower profit for the year ended 31 March 2021 and a nil Other Comprehensive Income after removing the incorrectly classified losses.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

Schedules of prior period adjustments (Group and Company effects)

Inflation adjusted statement of profit or loss and other comprehensive income for the year ended 31 March 2021	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATEMENT (After correction of prior period errors)
GROUP					
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Revenue from contracts with customers	5 060 555 307	1.727	8 739 335 535	-	8 739 335 535
Rental income	20 728 895	1.727	35 797 804	-	35 797 804
Revenue	5 081 284 202		8 775 133 339		8 775 133 339
Cost of sales	(4 121 338 144)	1.727	(7 117 352 684)	-	(7 117 352 684)
Gross profit	959 946 058		1 657 780 655		1 657 780 655
Other income	224 840 676	1.727	388 289 030	-	388 289 030
Fair value gain/(loss) on investment property	(53 433 655)	1.727	(92 277 351)	-	(92 277 351)
Investment income	-	1.727	-	-	-
Selling and distribution expenses	-	1.727	-	(98 271 874)	(98 271 874)
Administrative expenses	(516 173 152)	1.727	(891 406 198)	44 013 472	(847 392 726)
Expected credit loss	-	1.727	-	5 319 139	5 319 139
Impairment loss	-	1.727	-	(107 912 478)	(107 912 478)
Revaluation loss of property, plant and equipment	-	1.727	-	(78 365 304)	(78 365 304)
Exchange gain/(loss)	-	1.727	-	(347 559 880)	(347 559 880)
Operating Profit/(loss)	615 179 927		1 062 386 136		479 609 211
Impairment loss	(25 010 467)	1.727	(43 191 875)	43 191 875	-
Net finance cost	(60 207 214)	1.727	(103 974 962)	103 974 962	-
Finance cost	-	1.727	-	(104 279 910)	(104 279 910)
Finance income	-	1.727	-	304 948	304 948
Exchange gain/(loss)	(201 256 261)	1.727	(347 559 880)	347 559 880	-
Share of profit of an associate	69 522 118	1.727	120 061 352	-	120 061 352
Monetary loss	(163 295 558)	1.727	(282 003 572)	-	(282 003 572)
Profit/(loss) before taxation	234 932 545		405 717 199		213 692 029
Income tax	(125 269 467)	1.727	(216 334 342)	84 310 102	(132 024 240)
Profit/(loss) for the year	109 663 078		189 382 857		81 667 789
Other comprehensive income					
Other comprehensive income to be reclassified to profit or loss in subsequent periods:					
Exchange differences on translating foreign operations	156 251 845	1.727	269 839 417	-	269 839 417
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:	156 251 845		269 839 417		269 839 417
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:					
Revaluation of property, plant and equipment	(45 377 816)	1.727	(78 365 305)	78 365 305	-
Impairment of previously revalued assets	(37 476 785)	1.727	(64 720 599)	64 720 599	-
Income tax relating to components of other comprehensive income	20 481 657	1.727	35 370 836	(35 370 836)	-
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	(62 372 944)		(107 715 067)		-
Other comprehensive income for the year, net of tax	93 878 901		162 124 350		269 839 417
Total comprehensive income/(loss)	203 541 979		351 507 207		351 507 207

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

Schedules of prior period adjustments (Group and Company effects)

Inflation adjusted statement of profit or loss and other comprehensive income for the year ended 31 March 2021	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	COMPANY				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Revenue from contracts with customers	-	1.727	-	-	-
Rental income	-	1.727	-	-	-
Revenue	-		-		-
Cost of sales	-	1.727	-	-	-
Gross profit	-		-		-
Other income	-	1.727	-	-	-
Fair value gain/(loss) on investment property	-	1.727	-	-	-
Investment income	131 603 151	1.727	227 272 311	-	227 272 311
Selling and distribution expenses	-	1.727	-	-	-
Administrative expenses	-	1.727	-	-	-
Expected credit loss	-	1.727	-	-	-
Impairment loss	-	1.727	-	-	-
Revaluation loss of property, plant and equipment	-	1.727	-	-	-
Exchange gain/(loss)	-	1.727	-	184 429 773	184 429 773
Operating Profit/(loss)	131 603 152		227 272 311		411 702 084
Impairment loss	-	1.727	-	-	-
Net finance cost	176 582	1.727	304 948	(304 948)	-
Finance cost	-	1.727	-	-	-
Finance income	-	1.727	-	304 948	304 948
Exchange gain/(loss)	106 794 969	1.727	184 429 773	(184 429 773)	-
Share of profit of an associate	-	1.727	-	-	-
Monetary loss	(207 609 683)	1.727	(358 531 934)	-	(358 531 934)
Profit/(loss) before taxation	30 965 020		53 475 098		53 475 098
Income tax	(40 325 791)	1.727	(69 640 700)	-	(69 640 700)
Profit/(loss) for the year	(9 360 771)		(16 165 602)		(16 165 602)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.2 Statement of Cash Flows - Reclassification of Finance Income from Operating Activities to Investment Income

In the 2021 financial year, Finance Income had been classified under Operating Activities which is contrary to the Group Accounting Policy. The Finance Income should have been classified under Investment Activities. This has been corrected in 2022, with the comparative balances restated to show the correct classification. The correction of this error had a nil net effect on the statement of cash flows.

Inflation adjusted statement of cash flows for the year ended 31 March 2021	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATEMENT (After correction of prior period errors)
GROUP					
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Operating activities					
Cash used in operations	462 766 223	1.727	799 175 002	-	799 175 002
Finance income received	176 582	1.727	304 948	(304 948)	-
Finance cost paid	(512 530)	1.727	(885 115)	-	(885 115)
Taxation paid	(89 937 370)	1.727	(155 317 511)	-	(155 317 511)
Net cash flows generated / (used) in operating activities	372 492 905		643 277 324		642 972 376
Investing activities					
Acquisition of property, plant and equipment-continuing operations	(47 911 090)	1.727	(82 740 148)	-	(82 740 148)
Proceeds on disposal of assets	1 885 213	1.727	3 255 671	-	3 255 671
Finance income received	-	1.727	-	304 948	304 948
Dividends received from associate	131 603 151	1.727	227 272 311	-	227 272 311
Net cash flows (used)/generated from investing activities	85 577 274		147 787 834		148 092 782
Financing activities					
Loans paid	(77 644 962)	1.727	(134 089 113)	-	(134 089 113)
Net cash flows used in financing activities	(77 644 962)		(134 089 113)		(134 089 113)
Net increase / (decrease) in cash and cash equivalents	380 425 217		656 976 045		656 976 045
Net foreign exchange difference	(315 380 269)	1.727	(544 646 550)	-	(544 646 550)
Cash and cash equivalents at 1 April	166 575 277	1.727	287 667 489	-	287 667 489
Cash and cash equivalents at 31 March	231 620 225		399 996 984		399 996 984

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.2 Statement of Cash Flows - Reclassification of Finance Income from Operating Activities to Investment Income

Inflation adjusted statement of cash flows for the year ended 31 March 2021	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	COMPANY				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Operating activities					
Cash used in operations	(58 922 168)	1.727	(101 755 750)	-	(101 755 750)
Finance income received	176 582	1.727	304 948	(304 948)	-
Finance cost paid	-	1.727	-	-	-
Taxation paid	(6 580 158)	1.727	(11 363 615)	-	(11 363 615)
Net cash flows generated / (used) in operating activities	(65 325 744)		(112 814 417)		(113 119 365)
Investing activities					
Acquisition of property, plant and equipment-continuing operations	-	1.727	-	-	-
Proceeds on disposal of assets	-	1.727	-	-	-
Finance income received	-	1.727	-	304 948	304 948
Dividends received from associate	131 603 151	1.727	227 272 311	-	227 272 311
Net cash flows (used)/generated from investing activities	131 603 151		227 272 311		227 577 259
Financing activities					
Loans paid	-	1.727	-	-	-
Net cash flows used in financing activities	-		-		-
Net increase / (decrease) in cash and cash equivalents	66 277 407		114 457 894		114 457 894
Net foreign exchange difference	(106 599 876)	1.727	(184 092 856)	-	(184 092 856)
Cash and cash equivalents at 1 April	70 596 575	1.727	121 916 888	-	121 916 888
Cash and cash equivalents at 31 March	30 274 106		52 281 925		52 281 925

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.3 Presentation and disclosure (International Accounting Standard 1)

Profit Before Taxation Note. Disaggregation of line items and inclusion of other line items previously omitted from note.

In the 2021 financial statements, the below line items had been shown in aggregate in the Profit Before Taxation note to financial statements.

- Employment costs

The below line items had been omitted from the Profit Before Taxation note to the financial statements.

- Cost of Sales
- Selling & Distribution Expenses
- Dividends Received (Investment Income)
- Administrative Expenses
- Other overheads.

However, IAS 1 - Presentation of Financial Statements requires inclusion and disaggregation of elements of financial statements when such presentation is relevant to the users' understanding of the entity's financial performance. This has been corrected in 2022, with comparative balances being restated to show disaggregated elements of the Profit Before Taxation. The net impact of this correction is nil.

Schedules of prior period adjustments (Group effects)

Notes to the inflation adjusted financial statements for the year ended 31 March 2021

Profit before taxation	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATEMENT (After correction of prior period errors)
GROUP					
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
a. Cost of sales					
Direct employment costs	-		-		371 142 917
Basic wages and salaries	-	1.727	-	312 722 881	312 722 881
Allowances	-	1.727	-	23 854 934	23 854 934
Staff welfare	-	1.727	-	12 075 179	12 075 179
Other staff costs	-	1.727	-	22 489 923	22 489 923
Production chemicals	-	1.727	-	155 632 754	155 632 754
Fuel, oils and sundries	-	1.727	-	16 777 753	16 777 753
Raw sugar and cartage	-	1.727	-	7 798 953 541	7 798 953 541
Raw materials price variance provision	-	1.727	-	63 441 572	63 441 572
Packaging	-	1.727	-	292 843 394	292 843 394
Other overheads	-	1.727	-	8 052 733	8 052 733
Coal / steam	-	1.727	-	423 432 731	423 432 731
Plant repairs and maintenance	-	1.727	-	867 051 707	867 051 707
Electricity and water	-	1.727	-	226 352 895	226 352 895
Total cost of sales	-		-		10 223 681 997
b. Other income	(224 840 677)		(388 289 031)		(388 289 031)
Loss/(profit) on disposal of property, plant and equipment	(34 364 226)	1.727	(59 345 365)	-	(59 345 365)
Other sundry income *	(25 192 005)	1.727	(43 505 381)	-	(43 505 381)
Loans write down	(122 849 086)	1.727	(212 154 460)	-	(212 154 460)
Insurance claim	(42 435 360)	1.727	(73 283 825)	-	(73 283 825)

* 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 2022

Profit before taxation	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	GROUP				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
c. Selling and distribution expenses	-		-		98 271 874
Merchandising	-	1.727	-	18 475 136	18 475 136
Advertising	-	1.727	-	8 880 595	8 880 595
Quantity and settlement discounts	-	1.727	-	31 598 366	31 598 366
Distribution	-	1.727	-	39 317 777	39 317 777
d. Administrative expenses comprise of:					
Indirect employment costs	-	1.727	-	354 937 214	354 937 214
Directors' emoluments:	-	1.727	-	107 123 076	107 123 076
Other overheads	-	1.727	-	324 673 971	324 673 971
Depreciation	-	1.727	-	60 658 466	60 658 466
	-	1.727	-		847 392 727
e. Impairment losses	25 010 467	1.727	43 191 872	64 720 605	107 912 478
Inventory write-down (raw sugar)	23 667 514	1.727	40 872 657	-	40 872 657
Impairment of burnt raw sugar warehouse	1 342 953	1.727	2 319 215	64 720 605	67 039 821
f. Depreciation	35 124 583	1.727	60 658 466	-	60 658 466
g. Fair value adjustment on Investment Properties	53 433 655	1.727	92 277 351	-	92 277 351
h. Allowance/(reversal) for credit losses	(3 080 073)	1.727	(5 319 139)	-	(5 319 139)
i. Auditors' remuneration	9 360 000		16 164 270	-	16 164 270
j. Indirect employment costs	244 673 166	1.727	422 538 786		354 937 214
Basic wages and salaries	241 932 729	1.727	417 806 183	(307 946 450)	109 859 733
Allowances	-	1.727	-	105 252 240	105 252 240
Bonuses	-	1.727	-	38 197 951	38 197 951
Social security and health insurance costs	-	1.727	-	6 703 113	6 703 113
Defined contribution plan (National Social Security Authority)	2 740 437	1.727	4 732 603	4 718 628	4 718 628
Movement in leave pay provision	-	1.727	-	34 420 797	34 420 797
Staff welfare	-	1.727	-	31 372 964	31 372 964
Other staff costs	-	1.727	-	24 411 788	24 411 788
k. Directors' emoluments:	62 030 145	1.727	107 123 076		107 123 076
Fees	22 885 121	1.727	39 521 504	-	39 521 504
Pension	8 093	1.727	67 587 597	-	67 587 597
Salaries and other benefits	39 136 931	1.727	67 587 597	-	67 587 597
l. Other overheads	-		-		324 673 971
Intermediated Money Transfer Tax (IMTT)	-	1.727	-	34 063 430	34 063 430
Auditors' remuneration	-	1.727	-	20 600 714	20 600 714
Information, Communication and Technology expenses	-	1.727	-	22 001 175	22 001 175
Value added tax on disposal of property	-	1.727	-	48 939 264	48 939 264
Office costs	-	1.727	-	12 694 108	12 694 108
Professional fees and subscriptions	-	1.727	-	19 862 062	19 862 062
Repairs and maintenance	-	1.727	-	44 071 475	44 071 475
Insurance and licences	-	1.727	-	7 877 587	7 877 587
Vehicles expenses	-	1.727	-	8 204 482	8 204 482
Bank charges	-	1.727	-	9 049 317	9 049 317
Communication expenses	-	1.727	-	4 517 126	4 517 126
Security costs	-	1.727	-	18 932 980	18 932 980
Safety, health and environmental costs	-	1.727	-	40 417 431	40 417 431
Utilities, rent and rates	-	1.727	-	27 089 914	27 089 914
Staff welfare	-	1.727	-	6 352 906	6 352 906

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.4 Presentation and disclosure (International Accounting Standard 1)

(i) Value Added Tax Expense on disposal of building

In the prior year, the company disposed of a building to one of its lenders to extinguish a debt it owed. This was a deemed disposal in terms of the Value Added Tax Act which triggered a VAT Output expense. In the prior year, this cost had been incorrectly classified under the Income Tax Expense Line item and its effect shown, consequently, in the related Tax Rate Reconciliation, contrary to the provisions of IAS 12 : Income Taxes. This has now been corrected in the 2022 financial statements. The correction of this error had a nil net effect on the 2021 financial statements. However, it had the effect of changing the Income Tax Expense and the resultant Tax Rate reconciliation.

(ii) Disaggregation of effects of fair value gains taxed at lower rate in the tax rate reconciliation

In the prior year, the effect of fair value gains taxed at lower rates was incorrectly shown in the Exempt Income line item contrary to the requirements of IAS 12 - Income Taxes. This has been corrected in the current year with the comparatives restated by disaggregating the fair value gains in the 2021 tax rate reconciliation. The correction of this error had a nil net effect on the 2021 tax rate reconciliation.

Schedules of prior period adjustments (Group effects)

Notes to the inflation adjusted financial statements for the year ended 31 March 2021

Income tax	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 (After correction of prior period errors) RESTATEMENT ADJUSTMENT	RESTATEMENT ADJUSTMENT
	GROUP				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Current year	39 164 632	1.727	67 635 435	(35 370 837)	32 264 599
Tax on foreign dividends	26 320 631	1.727	45 454 462	-	45 454 462
Value Added Tax on disposed property	28 338 522	1.727	48 939 264	(48 939 264)	-
Capital Gains Tax	9 771 904	1.727	16 875 608	-	16 875 608
Deferred tax - movement	21 673 778	1.727	37 429 572	-	37 429 572
	125 269 467		216 334 341		132 024 241

Reconciliation of rate of tax	INFLATION ADJUSTED CURRENT VALUES	IAS 8 (After correction of prior period errors) RESTATEMENT ADJUSTMENT	RESTATEMENT ADJUSTMENT
	GROUP		
	2021 ZWL\$		2021 ZWL\$
Standard rate	24.72		24.72
Adjusted for:			
Foreign dividends taxed at different rates	11.20	-	11.20
Capital gains tax at different rate	3.37	-	3.37
Property disposal VAT at different rate	10.06	(10.06)	-
Share of profit from associate	(7.32)	-	(7.32)
Non-deductible finance costs	6.27	-	6.27
Non-deductible expenses	38.86	-	38.86
Exempt income	(16.76)	16.62	(0.14)
Fair Value Gains taxed at lower CGT rate	-	(16.62)	(16.62)
Monetary gain/(loss)	(17.08)	18.52	1.44
Effective rate of taxation	53.32		61.78

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.5 Presentation and disclosure (International Accounting Standard 1)

(i) Disaggregation of the Payables and Provision note

The Payables and Provision note (Note 18) in the 2021 financial statements had only been disaggregated to 3 sub-items namely; Trade Payables, Provisions and Other Payables. However, as per IAS 1 - Presentation of Financial Statements, these should be further disaggregated when such presentation is relevant to the users' understanding of the entity's financial performance. This has been corrected in 2022, with comparative balances being restated to show further disaggregation which has resulted in separate disclosure of Contract Liabilities and Statutory Obligations. Only material items within the Payables and Provisions were disaggregated to comply with the requirements of IAS 1. The net impact of this correction is nil.

(ii) Contract liability not separately disclosed

In the 2021 financial statements, contract liabilities arising out of customers' prepayments were not separately disclosed which was a contravention of the requirements of IFRS 15 - Revenue from contracts with customers. This has been corrected in 2022, with comparative balances restated to show contract liabilities separately in the 2021 financial statements. The correction of this error had a nil net effect on the 2021 financial statements.

Schedules of prior period adjustments (Group effects)

Notes to the inflation adjusted financial statements for the year ended 31 March 2021

Payables and provisions	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	GROUP				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Trade payables	140 704 818	1.727	242 990 451	-	242 990 451
Provisions	31 030 329	1.727	53 587 886	-	53 587 886
Contract liabilities	-	1.727	-	40 476 269	40 476 269
Statutory obligations	-	1.727	-	19 372 253	19 372 253
Other payables	334 064 145	1.727	576 912 705	(59 848 522)	517 064 183
	505 799 292		873 491 042		873 491 042

Liabilities related to contracts with customers	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	GROUP				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
The group has recognised the following liabilities related to contracts with customers for sale of goods:					
Obligation to transfer goods for advance consideration received from customers	-	1.727	-	40 476 269	40 476 269

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.6 Starafrika Corporation Limited's liability to Safariland understand in prior years

Safariland (Private) Limited is a property investment company whose shares are held by Starafrika Corporation Limited (SAC) with a 70% stake and Starafrika Corporation Pension Fund (the Pension Fund) holding the remaining 30%. The company owned a property in Borrowdale, Harare which was let out to SAC for rental income. In 2011, the building was sold to a third party for a total sum of USD3million dollars, the proceeds of which should have been for the benefit of Safariland (Private) Limited. The buyer, however, proceeded to pay the proceeds directly to one of the shareholders, SAC, which then utilised these funds in their entirety for its own business purposes.

In the books of SAC, an intercompany liability was raised for the proceeds owing to Safariland. In the books of Safariland, an intercompany receivable was raised for the amount due to be received from SAC. The two parties reached consensus that this balance due was denominated in United States Dollars and payable in Zimbabwe dollars and, hence, had to be converted from time-to-time in the separate financial statements of each party in line with movements in the exchange rate. However, none of the parties had adjusted this balance in line with movements in the exchange rates that occurred. The correction of this error was made in the 2022 financial statements which resulted in exchange losses being recognized in the financial statements of SAC and, correspondingly, exchange gains being recognised in the Safariland books. This correction increased the intercompany receivable in Safariland and, consequently, also increased the value of that receivable which is attributable to the minority interest in Safariland."

Schedules of prior period adjustments (Group effects)

Inflation adjusted Statements of Changes in Equity for the year ended 31 March 2021 (Retained earnings)	INFLATION ADJUSTED (As previously presented)		IAS 29 RESTATEMENT	INFLATION ADJUSTED TO CURRENT VALUES		IAS 8 RESTATEMENT ADJUSTMENT	RESTATED(After correction of prior period errors)	
GROUP								
	Non - distributable Reserve	Retained Earnings		Non - distributable Reserve	Retained Earnings		Non - distributable Reserve	Retained Earnings
Balance as at 31 March 2020	-	(445 109 668)	1.727	-	(768 682 981)	(84 768 953)	-	(853 451 934)
Settlement of compound financial instruments (Note15.5)	-	24 648 105	1.727	-	42 566 093	-	-	42 566 093
Profit for the year (restated)	-	105 947 083			182 965 515	-	-	(7 415 135)
Profit for the year (as previously presented)	-	105 947 083	1.727	-	182 965 515	-	-	182 965 515
Adjustment for impairment of previously revalued assets (Note 24.1)	-	-	1.727	-	-	(48 721 672)	-	(48 721 672)
Adjustment for revaluation loss of property, plant and equipment (Note 24.1)	-	-	1.727	-	-	(58 993 401)	-	(58 993 401)
Adjustment for Safariland prior period error (Note 24.6)	-	-	1.727	-	-	(82 665 578)	-	(82 665 578)
Other comprehensive income (restated)	93 878 901	144 364 647	1.727	162 124 345	249 310 799		269 839 418	249 310 799
Other comprehensive income (as previously presented)	93 878 901	144 364 647	1.727	162 124 345	249 310 799	-	162 124 345	249 310 799
Adjustment for impairment of previously revalued assets (Note 24.1)	-	-	1.727	-	-	48 721 672	48 721 672	-
Adjustment for revaluation loss of property, plant and equipment (Note 24.1)	-	-	1.727	-	-	58 993 401	58 993 401	-
Total comprehensive income (restated)	93 878 901	250 311 730		162 124 345	432 276 314		269 839 418	241 895 664
Balance as at 31 March 2021	93 878 901	(170 149 832)		162 124 345	(293 840 574)		269 839 418	(568 990 178)

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.6 Starafrika Corporation Limited's liability to Safariland understand in prior years

Schedules of prior period adjustments (Group effects)

'Inflation adjusted Statements of Changes in Equity for the year ended 31 March 2021 (Non-controlling interest)	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
GROUP	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
	Non - distributable Reserve		Non - distributable Reserve		Non - distributable Reserve
Balance as at 31 March 2020	62 063 749	1.727	107 181 108	84 768 953	191 950 061
Settlement of compound financial instruments (Note 15.5)	-	1.727	-	-	-
Total comprehensive income	3 715 996		6 417 346		89 082 924
Profit for the year	3 715 996	1.727	6 417 346	-	6 417 346
Adjustment for Safariland prior period error	-	1.727	-	82 665 578	82 665 578
Balance as at 31 March 2021	65 779 745		113 598 455		281 032 985

24.7 Impact of restatements

The tables below summarise the impact of the prior period error on the affected financial statement line items:

Impact on statement of profit or loss and other comprehensive income - year ended 31 March 2021	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
GROUP	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Impact on statement of profit and loss					
Selling and distribution expenses	-	1.727	-	(98 271 874)	(98 271 874)
Administrative expenses	(516 173 152)	1.727	(891 406 198)	44 013 472	(847 392 726)
Expected credit loss	-	1.727	-	5 319 139	5 319 139
Impairment loss	-	1.727	-	(107 912 478)	(107 912 478)
Revaluation loss of property, plant and equipment	-	1.727	-	(78 365 304)	(78 365 304)
Exchange gain/(loss)	-	1.727	-	(347 559 880)	(347 559 880)
Impairment loss	(25 010 467)	1.727	(43 191 875)	43 191 875	-
Net finance cost	(60 207 214)	1.727	(103 974 962)	103 974 962	-
Finance cost	-	1.727	-	(104 279 910)	(104 279 910)
Finance income	-	1.727	-	304 948	304 948
Exchange gain/(loss)	(201 256 261)	1.727	(347 559 880)	347 559 880	-
Income tax	(125 269 467)	1.727	(216 334 342)	84 310 102	(132 024 240)
Impact on other comprehensive income					
Revaluation of property, plant and equipment	(45 377 816)	1.727	(78 365 305)	78 365 305	-
Impairment of previously revalued assets	(37 476 785)	1.727	(64 720 605)	64 720 605	-
Income tax relating to components of other comprehensive income	20 481 657	1.727	35 370 836	(35 370 836)	-

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.7 Impact of restatements

The tables below summarise the impact of the prior period error on the affected financial statement line items:

Impact on statement of profit or loss and other comprehensive income - year ended 31 March 2021	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
COMPANY						
COMPANY	2021 ZWL\$		2021 ZWL\$			2021 ZWL\$
Impact on statement of profit and loss						
Exchange gain/(loss)	-	1.727	-	184 429 773		184 429 773
Net finance cost	176 582	1.727	304 948	(304 948)		-
Finance income	-	1.727	-	304 948		304 948
Exchange gain/(loss)	106 794 969	1.727	184 429 773	(184 429 773)		-
Income tax	(40 325 791)	1.727	(69 640 700)	-		(69 640 700)

Impact on earnings per share	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
GROUP						
	2021 ZWL\$		2021 ZWL\$			2021 ZWL\$
Basic (cents)	2.20	1.727	3.80	(3.95)		(0.15)
Diluted (cents)	2.20	1.727	3.80	(3.95)		(0.15)
Headline earnings per share	4.99	1.727	8.61	(3.96)		4.66

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.7 Impact of restatements

The tables below summarise the impact of the prior period error on the affected financial statement line items:

'Impact on statement of cash flow	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	GROUP				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Operating activities					
Finance income received	176 582	1.727	304 948	(304 948)	-
Investing activities					
Finance income received	-	1.727	-	304 948	304 948

'Impact on statement of cash flow	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	COMPANY				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Operating activities					
Finance income received	176 582	1.727	304 948	(304 948)	-
Investing activities					
Finance income received	-	1.727	-	304 948	304 948

'Impact on statement of financial position	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	COMPANY				
	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Restatements as at 1 April 2020					
Retained earnings / (accumulated loss)	(445 109 668)	1.727	(768 682 981)	(84 768 953)	(853 451 934)
Non-controlling interest	62 063 748	1.727	107 181 107	84 768 954	191 950 061

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 MARCH 2022

24 PRIOR PERIOD ERRORS

24.7 Impact of restatements

The tables below summarise the impact of the prior period error on the affected financial statement line items:

	INFLATION ADJUSTED (As previously presented)	IAS 29 RESTATEMENT	INFLATION ADJUSTED CURRENT VALUES	IAS 8 RESTATEMENT ADJUSTMENT	RESTATED (After correction of prior period errors)
	COMPANY				
Restatements as at 1 April 2021	2021 ZWL\$		2021 ZWL\$		2021 ZWL\$
Non-distributable reserves	93 878 901	1.727	162 124 354	107 715 064	269 839 418
Retained earnings / (accumulated loss)	(170 149 837)	1.727	(293 840 582)	(275 149 595)	(568 990 177)
Non-controlling interest	65 779 745	1.727	113 598 454	167 434 530	281 032 984

25 EVENTS AFTER REPORTING DATE

Introduction of the interbank rate (willing-buyer, willing-seller)

On the 4th of April 2022, the Reserve Bank of Zimbabwe announced that it was further liberalising the foreign exchange market by allowing banks to conduct foreign exchange transactions of up US\$1 000 under an arrangement agreed upon between banks and the RBZ and in terms of which individuals with free funds and entities/corporates holding foreign exchange in their foreign currency accounts (after meeting the statutory surrender requirements) shall be free to sell foreign currency to banks on a willing-buyer willing-seller-basis. Effectively, this introduced what is now known as the interbank rate which came into practice on 10 May 2022.

While the business continues to assess these changes, it does not expect a significant impact to its operations.

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. Its effect on cross-border trade was to totally or wholly suspend payment of duty on sugar, cooking oil, margarine, rice, flour, salt, bath soap, laundry soap, washing powder, toothpaste and petroleum jelly, regardless of their country of origin (CoO) and quantities (bulk and small). This pronouncement is valid for a period of 6 months from 17th of May 2022 to the 16th of November 2022.

The business has performed an impact assessment and determined that the likely impact of this law will be moderate to low as there is a global sugar shortage, which is unlikely to be resolved within the next 12months. The business will continue to assess and anticipate the full scale impact of the Statutory Instrument 98 of 2022.

Introduction of gold coins into the Zimbabwe monetary system

On 25 July 2022, the Reserve Bank of Zimbabwe launched the Mosi-Oa-Tunga gold coins into the market which are expected to help act as a store of value and reduce demand for foreign currency that has been largely blamed for the rapid decline in value of the local currency.

These gold coins were introduced as legal tender and can be used for day-to-day transactional purposes.

Management has assessed the impact of the introduction of these gold coins into the market as having minimal impact on the financial and operational aspects of StarAfrica Corporation and, particularly, its financial results for the year ended 31 March 2022 as presented. Management will continue assessing this impact as further developments directly attributable to the introduction of these gold coins continue to unfold.

SHAREHOLDER INFORMATION

SHAREHOLDER ANALYSIS	SHAREHOLDER ANALYSIS	NUMBER OF SHARES	% OF SHARES
2022			
Major Shareholder-non resident	1	29,359,200	0.61
Other non resident	129	23,534,944	0.49
Total External Shareholders	130	52,894,144	1.10
Nominee Companies	36	7,456,525	0.16
Companies	271	2,901,944,897	60.35
Insurance Companies	12	68,381,226	1.42
Pension and Benefit Funds	51	1,599,144,210	33.26
Other	3,779	125,947,189	2.62
Total Local Shareholders	4,149	4,755,768,191	98.90
TOTAL	4,279	4,808,662,335	100.00

2021			
Major Shareholder-non resident	1	30,267,000	0.63
Other non resident	147	25,378,928	0.53
Total External Shareholders	148	55,645,929	1.16
Nominee Companies	53	15,231,463	0.32
Companies	264	2,936,185,687	61.06
Insurance Companies	14	80,947,038	1.68
Pension and Benefit Funds	65	1,627,278,582	33.84
Other	2,979	93,373,636	1.94
Total Local Shareholders	3,375	4,753,016,406	98.84
TOTAL	3,523	4,808,662,335	100.00

SIGNIFICANT SHAREHOLDERS	NUMBER OF SHARES	% OF TOTAL
INVESTORS IN AFRICA-TAKURA VEN	2,070,213,631	43.05
NSSA - NATIONAL PENSION SCHEME	1,491,505,021	31.02
TAKURA III (PRIVATE) LIMITED	690,071,211	14.35
STANBIC NOMINEES (PRIVATE) LIMITED	62,469,117	1.30
OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	55,676,501	1.16
ZSR INVESTMENTS (UK) LIMITED	29,359,200	0.61
GLOWSURGE ENTERPRISES,	22,324,600	0.46
HOMEGUARD SERVICES (PVT) LTD,	16,884,824	0.35
MASAWI, ROSIAN TENDAI	15,819,985	0.33
SHAURAI INVESTMENTS	15,290,200	0.32

NAME OF DIRECTOR	NUMBER OF SHARES	
	DIRECT	INDIRECT
R J Mbire	-	-
R Nyabadza	1,000,000	-
C Matorera	-	-
A J Musemburi	-	-
M Sibanda	-	-
R Magundani	-	-
G T Nyamayi	-	-
M E Chiremba	-	-
F M Myambuki	-	-

NOTICE TO SHAREHOLDERS

Notice is hereby given that the **88th Annual General Meeting** of starafriacorporation limited will be held as a virtual meeting via Microsoft Teams on **27 October 2022** at 10am for the following purposes:

ORDINARY BUSINESS

- 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 2022.
 - 3. Re-election of Directors**
 - 3.1** To elect Directors who retire by rotation in terms of Article 100 of the Articles of Association. Messrs. C. Matorera and M. Sibanda retire by rotation and, being eligible, offer themselves for re-election.
 - 3.2** The following directors were appointed to the Board as follows:
 - Ms. R. Magundani, on 3 November 2021**
Ms. Rudo Magundani holds an LLB (Hons) Degree from the University of Zimbabwe and a Master of Law from the University of Cambridge, United Kingdom. She is a Partner with Scanlen & Holderness.
 - Mr. G. T. Nyamayi, on 16 December 2021**
Mr. Gaylord T. Nyamayi is a Partner and Investment Executive at Takura Capital Partners (Private) Limited. He is a Chartered Accountant with vast experience in origination, negotiation, execution, monitoring and exiting of investment transactions in the region.
 - Mr. F. M. Myambuki, on 1 February 2022**
Mr. Formai M. Myambuki is a Chartered Accountant (Zimbabwe) with more than 14 years' experience. He holds a Bachelor of Accounting Sciences, Postgraduate Diplomas in Accounting Sciences and Applied Accounting Sciences from the University of South Africa (UNISA).
 - Mr. M. E. Chiremba, on 15 March 2022**
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. He consults for entities in the financial sector as a financial crime specialist.
- Details of their curriculum vitae are available on the company's website. In terms of Article 107 of the Articles of Association, they retire at the Annual General Meeting and, being eligible, offer themselves for re-election. Separate resolutions for their re-election will be tabled at the Annual General Meeting.
- 4. Resignation of Directors**
To note the resignations of Mrs. V. Nyemba and Mr. J. Chikura with effect from 30 September 2021 and Mr. R.V. Mutyiri with effect from 31 January 2022.
 - 5. Directors' Remuneration**
To approve fees accrued to directors for the year ended 31 March 2022.
 - 6. Auditors**
To approve the remuneration of the independent auditors for the year ended 31 March 2022 and to appoint auditors for the ensuing year. PwC Zimbabwe, who have been the company's independent auditors for one year, have indicated their willingness to continue as independent auditors for the ensuing year.
 - 7. Secondary Scheme of Arrangement**
To update members on the Secondary Scheme of Arrangement.

By Order Of The Board



A.J Musemburi
COMPANY SECRETARY

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

3 October 2022

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 starafriacorporation 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 **27 October 2022** at 10:00 hours and at any adjournment thereof.

Signed this day of 2022

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 secretary at the Company's registered office at least 48 hours before the meeting.



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