starafricacorporation
limited

2024 Annual Report



Everyday goodness for delightful moments


GOLDSTAR
WHITE SUGAR
1000KG
PURE CANE SUGAR
energy of life!
SINGLE - USE BAG • NOT FOR RE - USE

About This Report

REPORTING SCOPE

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

Starafrica Corporation Limited, a company listed on the Zimbabwe Stock Exchange (ZSE), is pleased to present its annual report for the year ended 31 March 2024.

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 Grant Thortorn Chartered Accountants (Zimbabwe), in accordance with the International Standards of Auditing (ISAs). The independent auditor's report is contained on pages 42 to 48.

BOARD RESPONSIBILITY AND APPROVAL OF THIS REPORT

The Board of Directors of Starafrica Corporation Limited holds collective responsibility for this report, which has been compiled by members of the management team. The Board recognises its responsibility for ensuring the integrity of this Annual Report and approved the report on 6 September 2024.

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. Dzingayi Maworera, the Company Secretary at marketing@starafrica.co.zw.

The Starafrica Corporation Limited Annual Report is available on the following website:

www.starafricacorporation.com

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

ONLINE

You can find this report, previous reports and more information about Starafrica Corporation Limited online at **www.starafricacorporation.com**

Our Annual Report along with other relevant documents can be downloaded at http://www.starafricacorporation.com

Shareholders are reminded that they are entitled to a hard copy of this report on request. This can be obtained by contacting the Company Secretary at **marketing@starafrica.co.zw**



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Who We Are

Starafrica Corporation Limited (SAC) is a leading food products manufacturing Group that has been listed on the Zimbabwe Stock Exchange (ZSE) since 1947. The Group's core activities are the manufacturing, distribution and marketing of everyday food products.



HOW WE CREATE VALUE

Operations
Harare and Bulawayo in Zimbabwe

Associate Location
Botswana

Human Capital
310 employees

Brands
3 brands

Product Lines
Over 30 product lines

Everyday goodness for delightful moments



Our Vision

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

Our Mission

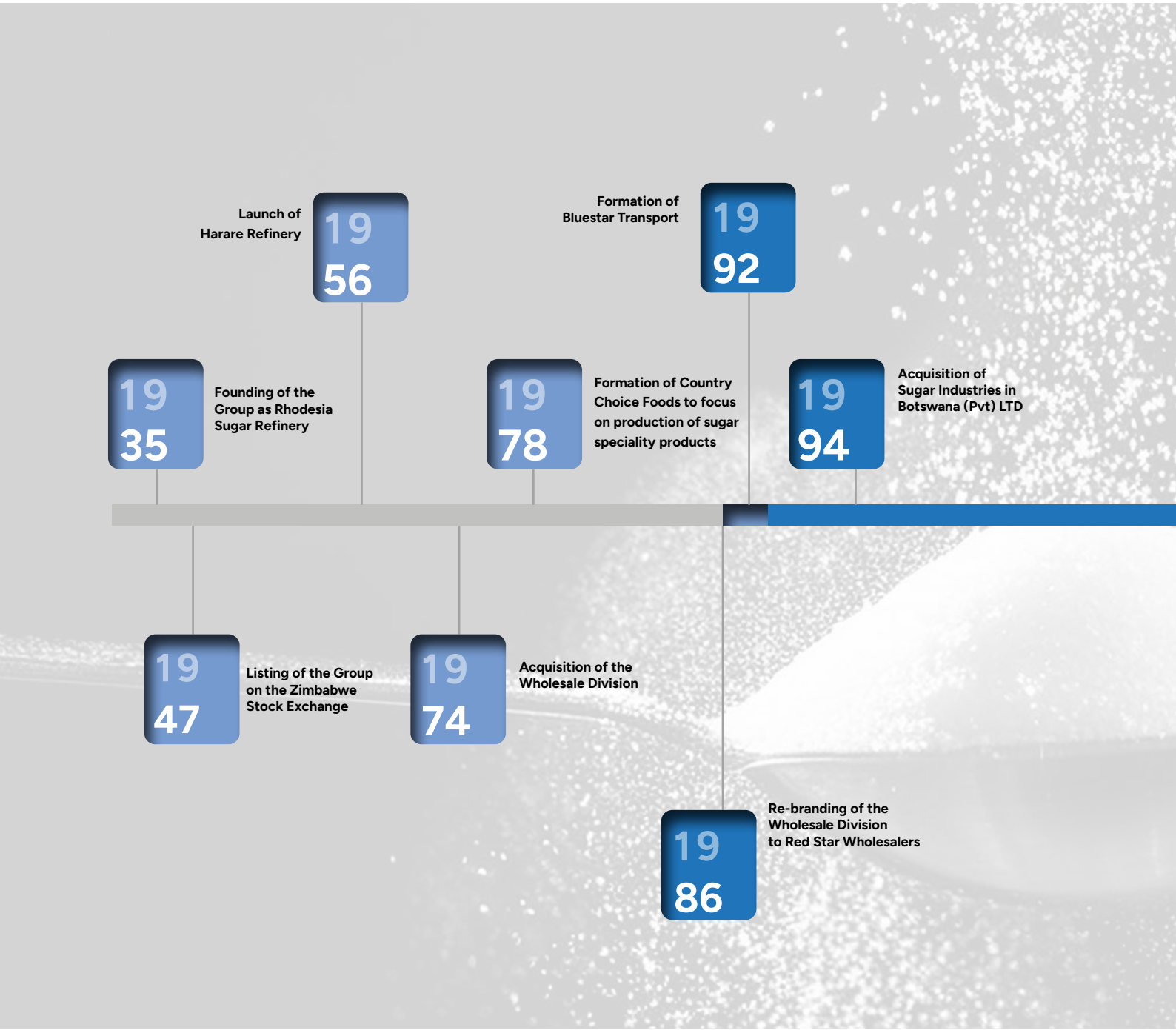
To excel in the provision of world class products and services that delight our customers, in an environment that is rewarding and caring of our employees, and in so doing, achieve superior returns for our shareholders and make a positive contribution to the communities we operate in.

Our Values

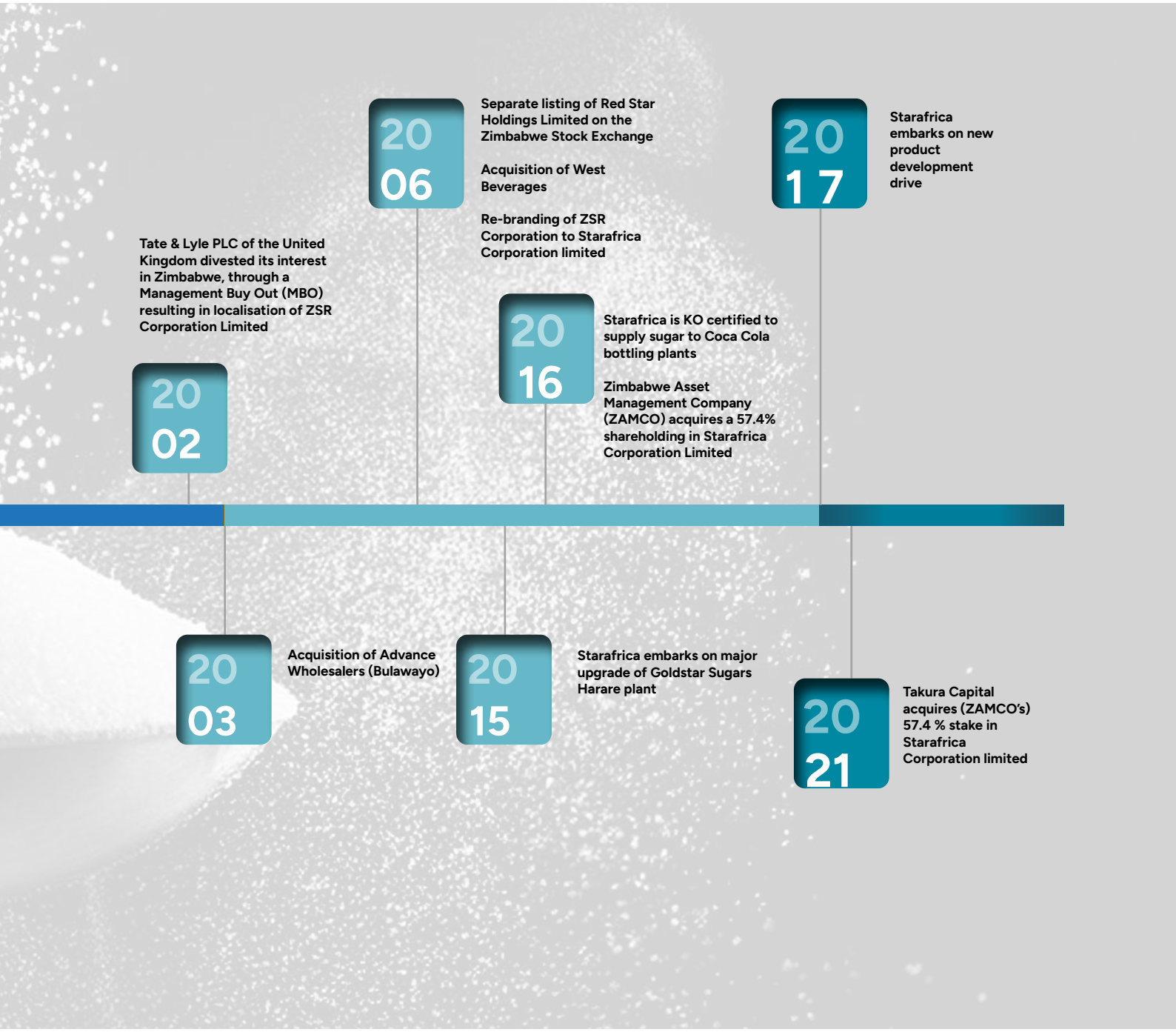
Our powerful values drive the way we do business

- CARE
- ACCOUNTABILITY
- PERFORMANCE DRIVEN
- COMMITMENT
- ETHICAL

Our History


1935
Founding of the Group as Rhodesia Sugar Refinery
1947
Listing of the Group on the Zimbabwe Stock Exchange
1956
Launch of Harare Refinery
1974
Acquisition of the Wholesale Division
1978
Formation of Country Choice Foods to focus on production of sugar speciality products
1986
Re-branding of the Wholesale Division to Red Star Wholesalers
1992
Formation of Bluestar Transport
1994
Acquisition of Sugar Industries in Botswana (Pvt) LTD

Our History


2002
Tate & Lyle PLC of the United Kingdom divested its interest in Zimbabwe, through a Management Buy Out (MBO) resulting in localisation of ZSR Corporation Limited
2003
Acquisition of Advance Wholesalers (Bulawayo)
2006
Separate listing of Red Star Holdings Limited on the Zimbabwe Stock Exchange
Acquisition of West Beverages
Re-branding of ZSR Corporation to Starafrica Corporation limited
2015
Starafrica embarks on major upgrade of Goldstar Sugars Harare plant
2016
Starafrica is KO certified to supply sugar to Coca Cola bottling plants
Zimbabwe Asset Management Company (ZAMCO) acquires a 57.4% shareholding in Starafrica Corporation Limited
2017
Starafrica embarks on new product development drive
2021
Takura Capital acquires (ZAMCO's) 57.4 % stake in Starafrica Corporation limited

How We Are Organised

starafricacorporation limited



GOLDSTAR SUGARS (GSS)

Leading producer and distributor of granulated white sugar to industrial, retail and wholesale markets. This is the core business.

Equity Interest
100%



COUNTRY CHOICE FOODS (CCF)

Leading manufacturer and distributor of sugar specialty products such as castor sugar, icing sugar, syrups, caramel, sweeteners, as well as pure honey.

Equity Interest
100%



TONGAAT HULETT BOTSWANA (THB)

THB

Group's Associate Business Unit in Botswana that packs and distributes sugar to the industrial, wholesale & retail markets.

Equity Interest
33.33%



SILVER STAR PROPERTIES (SSP)

Silver Star Properties

Group's Property Division that leases out and manages commercial, industrial and residential company owned properties within Zimbabwe.

Equity Interest
100%

Corporate Information

NATURE OF ACTIVITIES

Sugar production, purification, marketing and distribution, along with the manufacturing of sugar specialty, grocery, and snack products.

BOARD OF DIRECTORS

Dr. Rungamo J. Mbire	NON-EXECUTIVE CHAIRMAN	Appointed Chairman 22 July 2021
Dr. Mavellas Sibanda	GROUP CHIEF EXECUTIVE OFFICER	Appointed 8 July 2024
Mr. Dzingayi Maworera	FINANCE DIRECTOR AND COMPANY SECRETARY	Appointed 1 April 2024
Mr. Mirirai E. Chiremba	NON-EXECUTIVE DIRECTOR	Appointed 1 September 2021
Ms. Odiline Kava	NON-EXECUTIVE DIRECTOR	Appointed 1 June 2024
Mr. Cliford Matorera	NON-EXECUTIVE DIRECTOR	Appointed 1 September 2022
Ms. Sarudzayi Naomi Njerere	NON-EXECUTIVE DIRECTOR	Appointed 1 June 2024
Mr. Gaylord T. Nyamayi	NON-EXECUTIVE DIRECTOR	Appointed 1 September 2022
Mr. Robson Nyabadza	GROUP CHIEF EXECUTIVE OFFICER	Resigned 31 March 2024
Mr. Formai Myambuki	ACTING GROUP CHIEF EXECUTIVE OFFICER	Resigned 7 July 2024
Mr. Aldo J Musemburi	CORPORATE SERVICES DIRECTOR	Resigned 31 December 2023

REGISTERED OFFICE:

Starafricacorporation Limited, 49 Douglas Road, Workington, Harare, Zimbabwe

Professional Advisors

INDEPENDENT AUDITOR

Grant Thornton Chartered Accountants (Zimbabwe)
Camelsa Business Park,
135 Enterprise Road,
Highlands,
Harare.

ATTORNEYS

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

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

TRANSFER SECRETARIES

First Transfer Secretaries
1 Armagh Avenue, Eastlea
Harare, Zimbabwe.

BANKERS

Ecobank - The Pan African Bank
Block A, Sam Levy's Office Park
2 Piers Road, P.O. Box BW 1464 Borrowdale, Harare.

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

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

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

How We Performed

PERFORMANCE REVIEW

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Performance Highlights

Salient Features For The Year

OPERATIONAL

	Percentage Change	Year Ended 31 March 2024	Year Ended 31 March 2023
Sales Volumes Goldstar Sugars (tonnes)	Decreased by **-32%**	**55,799**	**82,321**
Sales Volumes Country Choice Foods (tonnes)	Decreased by **-39%**	**1,244**	**2,048**

FINANCIAL

	INFLATION ADJUSTED	HISTORICAL COST
Revenue	Increase **23%**	Increase **789%**
Operating (loss)/ Profit	Decrease **-5438%**	Decrease **-910%**
Profit/(loss) before tax	Increase **326%**	Decrease **-635%**
Net Assets	Increase **38%**	Increase **2077%**

Performance Highlights

GROUP SUMMARY

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Revenue	**1 903 924 535 141**	**1 542 643 173 764**	**377 635 149 711**	**42 467 137 304**
Operating (loss)/ profit	(679 170 088 768)	12 722 259 752	(18 470 301 208)	2 280 515 532
Finance costs	(13 906 676 045)	(1 530 802 025)	(2 045 426 285)	(49 599 967)
Profit/(loss)for the year	**111 788 993 377**	**(53 224 828 694)**	**(11 737 275 143)**	**2 390 811 486**
Other comprehensive income for the year, net of tax	34 433 650 159	119 830 176 815	259 190 404 227	5 981 223 316
Total comprehensive income for the year	**146 222 643 536**	**66 605 348 121**	**247 453 129 084**	**8 372 034 802**
(Loss)/profit attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
Basic earnings/(loss) per share (cents)	2,352.66	(769.85)	(524.18)	42.80
Diluted earnings/(loss) per share (cents)	2,352.66	(769.85)	(524.18)	42.80
Statement of Financial Position				
Property, plant and equipment	325 838 342 309	321 602 919 957	291 911 622 818	8 665 683 218
Total assets	893 052 716 605	753 811 701 440	593 706 508 234	22 680 185 944
Equity attributable to equity holders of the parent	536 364 525 952	388 799 473 586	245 248 730 747	11 264 584 813
Total liabilities	342 717 112 953	349 698 741 324	334 491 091 638	10 917 898 432
Statistics				
Refined sugar sales in domestic market (tonnes)	55 799	82 321	55 799	82 321
Average number of employees	310	496	310	496

The historical cost amounts are shown as supplementary information. The historical cost amounts do not comply with the International Financial Reporting Standards in that they have 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 cost financial information.



The business maintained its certification by The Coca Cola Company (“TCCC”) and its Food Safety Certification under the FSSC22000 series.

Chairman's Statement

The Group incurred an operating loss of ZWL679 billion for the year against a profit of ZWL13 billion in the comparative year. This loss was primarily due to a 3-month plant shutdown due to raw sugar supply challenges that have since been resolved, as well as the increased cost of key raw materials and other overheads.

OVERVIEW

I take pleasure in presenting the financial results for the year ended 31 March 2024.

The Group managed to weather a challenging trading and operating environment, marked by a continued depreciation of the local currency, high inflation and policy fluidity.

During the financial year under review, the borrowing rates remained elevated and liquidity tight, as The Reserve Bank of Zimbabwe ("RBZ") continued a tight monetary policy stance to curb inflation and attain exchange rate stability.

The industry welcomes the move by the Government to reinstate import duties on selected products that included white sugar, with effect from 1 February 2024. However, the introduction of tax on added sugar in beverages and additional withholding taxes, as well as the changing of the Value-Added Tax status for white sugar from Zero-rated to Exempt adversely impacts overall demand and margins.

Regardless, the Group remains optimistic that the RBZ policy interventions will significantly contribute to a more stable operating environment.

GROUP RESULTS

The Group's financial results are inflation adjusted in compliance with the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies, and the historical cost financial information has been disclosed as supplementary information. Total turnover increased by 23% for the year under review from ZWL1.54 trillion in the previous year to ZWL1.90 trillion. This was largely attributable to inflationary pressures. The Group incurred an operating loss of ZWL679 billion for the year against a profit of ZWL13 billion in the comparative year. This loss was primarily due to a 3-month plant shutdown due to raw sugar supply challenges that have since been resolved, as well as the increased cost of key raw materials and other overheads. The Group continues to rationalise operations to reduce costs.

In historical cost terms, total revenue increased by 789% from ZWL42 billion in the previous year to ZWL378 billion, while operating profit decreased by -910%, from a profit of ZWL2.28 billion to a loss of ZWL18.47 billion.

Chairman's Statement



R. J. Mbire (PhD)
CHAIRMAN

Chairman's Statement





OPERATIONS

Goldstar Sugars ("GSS")

During the year ended 31 March 2024, GSS reported a 32% decrease in sales volumes of granulated white sugar from 82,321 tonnes in the previous year to 55,799 tonnes. Production throughput at 52,605 tonnes was 32% lower than the prior year's tonnage of 77,270 tonnes due to raw sugar supply issues.

Active engagements with our various stakeholders have largely resolved the raw sugar supply challenges. GSS continues with its refurbishment and replacement programme for critical components of plant and machinery to improve plant efficiencies and quality of refined sugar.

The business maintained its certification by The Coca Cola Company ("TCCC") and its Food Safety Certification under the FSSC22000 series.

Country Choice Foods ("CCF")

CCF also reported a decline in sales volumes of sugar specialty products by 39%, from 2,048 tonnes in the previous year to 1,244 tonnes. Product uptake was adversely affected by exchange rate distortions that persisted for most of the year in mainstream retail outlets.

During the period, the unit launched new products into the market, namely bicarbonate of soda, desiccated coconut and muesli. The business unit has sufficient production capacity to supply the market at competitive prices and continues to focus on innovation.

Properties Business

In inflation adjusted terms, revenue performance for this business remained relatively stagnant with ZWL10.3 billion of rental income being recorded, compared with ZWL10.4 billion in the prior year.

Tongaat Hulett Botswana (The "Associate")

The Associate reported a profit of ZWL21 billion for the period, with the Company's share being ZWL7 billion after converting the earnings to Zimbabwe Dollars at the average RBZ Interbank Exchange Rate for the period to 31 March 2024.



GSS continues with its refurbishment and replacement programme for critical components of plant and machinery to improve plant efficiencies and quality of refined sugar.



Active engagements with our various stakeholders have largely resolved the raw sugar supply challenges.

Chairman's Statement

DIVIDEND

The Board has resolved not to declare a dividend for the period under review.

BOARD CHANGES

Resignations

The Board announced the retirement of Mr. Robson Nyabadza from the position of Chief Executive Officer of the Group effective 31 March 2024 and the stepping down of Mr. Formai Myambuki as the Acting Chief Executive Officer effective 7 July 2024.

The Board expresses its appreciation for their commitment and dedicated service during their tenure with the Group and wishes them the best in their future endeavors.

Appointments

The Board wishes to advise of the following appointments:

Mr. Dzingayi Maworera, who assumed the role of Finance Director and Company Secretary, effective 1 April 2024.

Ms. Sarudzayi Naomi Njerere and Ms. Odiline Kava who joined as Non-Executive Directors, effective 1 June 2024.

Dr. Mavellas Sibanda, who will assume the role of Chief Executive Officer, effective 8 July 2024.

The Board extends its congratulations on these appointments and wishes them success in their new roles.

OUTLOOK

On 5 April 2024, the Government introduced a new currency, Zimbabwe Gold ("ZWG"), leading to a period of relative exchange rate stability and low inflation. This can only be sustainable if the authorities maintain a tight monetary stance.

With the raw sugar supply challenges largely resolved and the plant refurbishment and replacement programme on track, the business expects a volume recovery, going forward. The Group will continue to improve on operational efficiencies and reducing costs with the aim of returning the business to profitability.

CONCLUSION

I would like to express my gratitude to the Group's various stakeholders, my fellow Board Members, management and staff for their contribution to the Company's performance.



R. J. Mbire (PhD)
CHAIRMAN
8 July 2024

Our Social Performance

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Sustainability

Starafrica Corporation Limited acknowledges that incorporating sustainable practices is crucial in effectively managing operational risks, and this approach is a key factor in positioning the Group for long-term success.

As a leading producer of sugar, sugar specialty products and snacks, Starafrica has firmly embedded sustainability management in the Group's corporate strategy. Resultantly, the Group is able to identify and assess its impact on various stakeholders. The aim is to ensure that negative effects are minimised, in particular those related to the environment and society, by ensuring that there is a good balance between group performance and the Group's actions for a better tomorrow.

Sustainability at Starafrica places particular emphasis on governance, social, economic, and environmental impacts.

The following data was compiled for the period under review:

EMPLOYEES

Employment Statistics

Description	Total Headcount	Permanent Employees	Fixed Term Employees
Opening Headcount- April 2023	496	306	190
Closing Headcount - March 2024	310	211	99
Total Recruitments	14	6	8
Total Departures	200	101	99

The business undertook a staff rationalization exercise during the year under review to optimize the cost structure.

Training & Education

- Average Learning Hours for the period under review were 10.42 hours per employee.

Gender Diversity

2024		2023	
Male	Female	Male	Female
278	32	440	56
90%	10%	89%	11%

Employee Safety

Number of fatalities as a result of work-related injuries across the organisation, and the number of work-related injuries.

0	2	6
Fatalities	Lost time injuries	Minor first aid cases



Sustainability

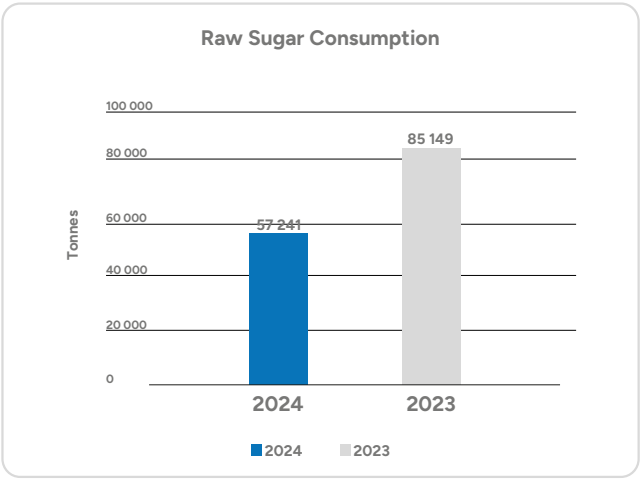
COMPLIANCE WITH LAWS AND REGULATIONS

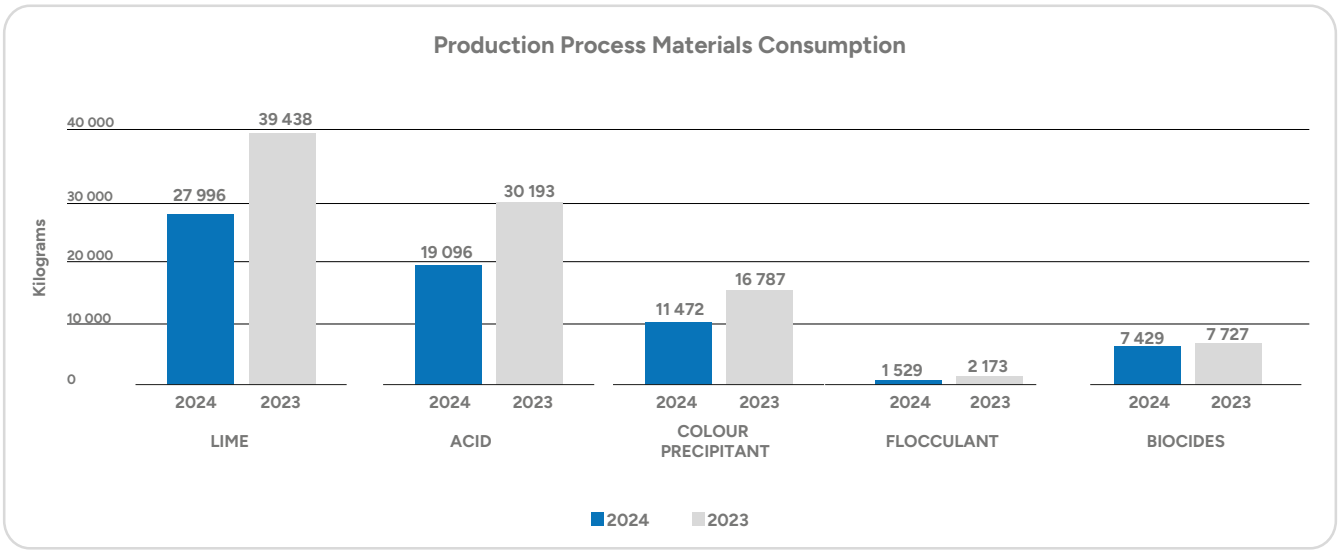
The Company has, during the reporting period, and is currently, in compliance with all relevant statutory requirements in Zimbabwe. There were no significant cases of non-compliance with laws and regulations.

MATERIALS, ENERGY AND WATER CONSUMPTION

Materials, Energy and Water consumed in the production processes

TYPE	DESCRIPTION	UNIT	2024	2023
MATERIALS	Raw Sugar	TONNES	57,241	85,149
	Lime	KG	27,996	39,438
	Acid	KG	19,096	30,193
	Colour Precipitant	KG	11,472	16,787
	Flocculant	KG	1,529	2,173
	Biocides	KG	7,429	7,727
ENERGY CONSUMPTION	Coal	TONNES	14,951	25,167
	Electricity	MWH	6,926	8,681
	Petrol	LITRES	52,028	68,644
	Diesel	LITRES	416,364	203,003
WATER	Water	M3	362,631	417,720

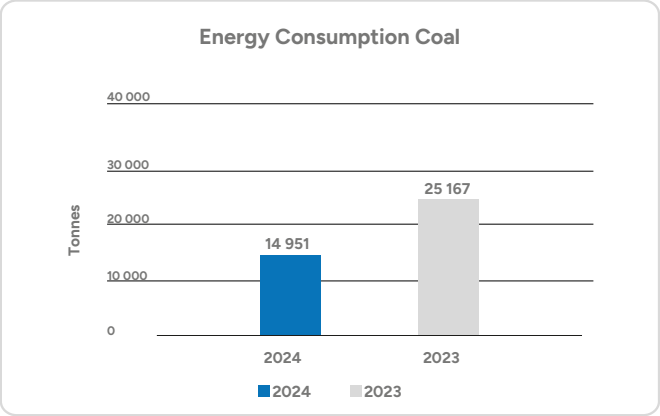


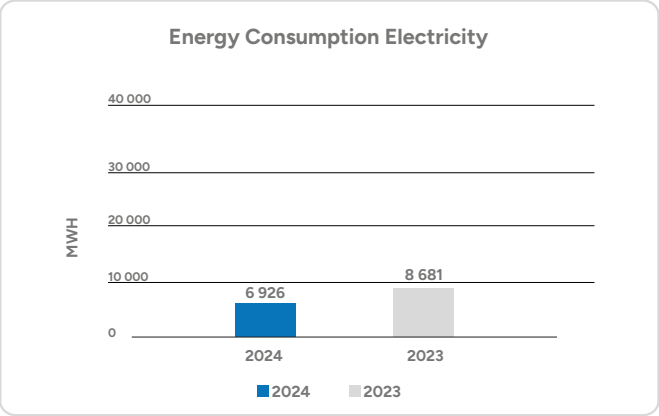


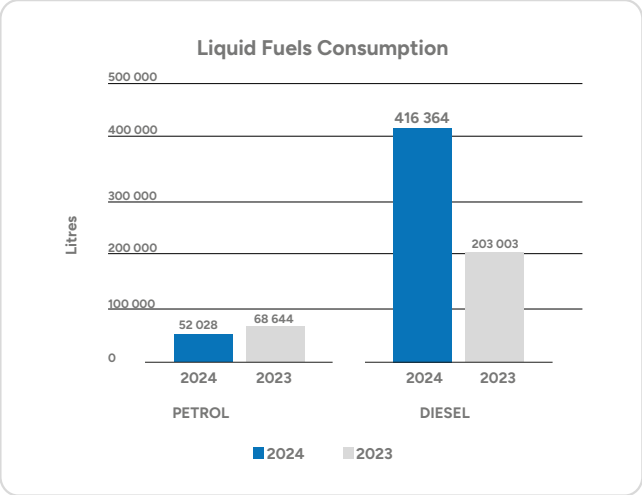
Sustainability

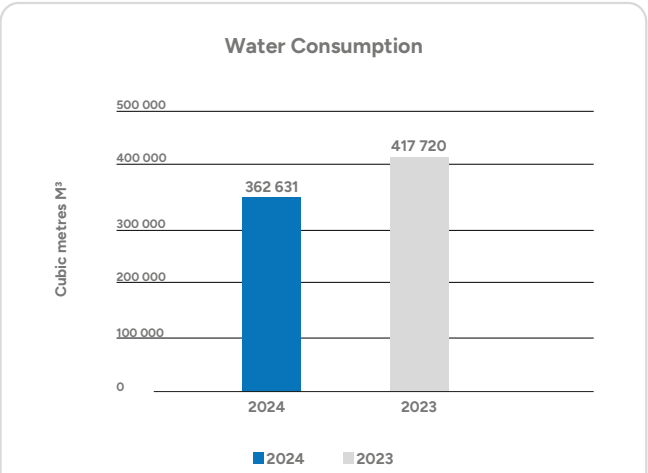
MATERIALS, ENERGY AND WATER CONSUMPTION

Materials, Energy and Water consumed in the production processes









WASTE & EMISSIONS

Waste

Waste generated in tonnes.

2 020 tonnes
(Effluent discharge =1540t)
(Scum/Mud =480t)

Emissions

Tonnes of carbon dioxide ("tCO2e") equivalence for Scope.
Direct Emission from conversion of Petrol and Diesel including emissions from operated assets or equipment.

	TCO2E
COAL	35 829.68
PETROL	109.26
DIESEL	920.32
LPG	2.94
TOTAL	36 862.19



How we are Governed

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Directors' Profiles



Dr. Rungamo J. Mbire
NON-EXECUTIVE CHAIRMAN

Appointed Chairman 22 July 2021
Non Executive Director
1 August 2010

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



Dr. Mavellas Sibanda
GROUP CHIEF EXECUTIVE OFFICER

Appointed CEO 8 July 2024
Non Executive Director
1 September 2017

Dr. Mavellas Sibanda was appointed Chief Executive Officer, Appointed 8 July 2024.

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.

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



Mr. Formai M. Myambuki
ACTING GROUP CHIEF EXECUTIVE OFFICER

Appointed Acting CEO 1 April 2024
Finance Director 1 September 2023
Resigned 7 July 2024

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

He is a highly experienced audit and accounting professional with valuable experience in manufacturing. Prior to his appointment as the Acting Chief Executive Officer, he was the Finance Director 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



Mr. Dzingayi Maworera

FINANCE DIRECTOR AND COMPANY SECRETARY

Appointed 1 April 2024

Mr. Dzingayi Maworera is a Chartered Accountant and obtained his Bachelor of Accountancy Honours Degree from UZ in 2008. He has more than fifteen years of experience in financial management in various companies, including Invesci Asset Management and KPMG.

Prior to this move, Mr. Maworera was an Investment Principal at Takura Capital Partners (Private) Limited.



Mr. Mirirai E. Chiremba

NON-EXECUTIVE DIRECTOR

Appointed 1 September 2021

Mr. Mirirai E. Chiremba holds a BSc Economics degree from UZ, 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, Mr. Chiremba spent two 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.



Ms. Odiline Kava

NON-EXECUTIVE DIRECTOR

Appointed 1 June 2024

Ms. Odiline Kava brings with her over 30 years of professional experience, characterized by outstanding achievements in strategic leadership and business development.

Ms. Kava's track record includes successful brand building initiatives for several companies in Zimbabwe. She holds a Master's Degree in Business Administration, Bachelor of Business Administration Degree and several Diplomas in various fields. She has worked for a number of companies, including FBC Holdings, Export Credit Guarantee Corporation, the UZ and NicozDiamond Insurance Limited.

Ms. Kava is currently serving as the Board Chairperson for Management Training Bureau and is a past Vice President of the Zimbabwe Institute of Public Relations.

Directors' Profiles



Mr. Cliford Matorera
NON-EXECUTIVE DIRECTOR

Appointed 1 September 2022

Mr. Cliford Matorera is a performance management strategist, whose core skills include analytical thinking, knowledge of employment law, leadership and evaluation.

Mr. Cliford Matorera holds an Honours degree in Sociology from UZ 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.



Ms. Sarudzayi Naomi Njerere
NON-EXECUTIVE DIRECTOR

Appointed 1 June 2024

Ms. Sarudzayi Naomi Njerere is a legal practitioner by profession, registered by the High Court of Zimbabwe and a member of the Law Society of Zimbabwe. She has over 23 years' experience in various fields of law, that include commercial, administrative, labour, family and human rights law.

Ms. Njerere holds a Bachelor of Arts degree in Law and Political Philosophy and a Bachelor of Laws degree from the University of Cape Town. She was previously a partner at Honey & Blanckenberg, worked in the Attorney General's office and also served as a part time Lecturer at UZ. She is currently serving as a Board Member of South Feminist Futures.



Mr. Gaylord T. Nyamayi
NON-EXECUTIVE DIRECTOR

Appointed 1 September 2022

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.

Executive Management



Dr. Mavellas Sibanda
GROUP CHIEF EXECUTIVE OFFICER



Mr. Dzingayi Maworera
FINANCE DIRECTOR AND COMPANY SECRETARY



Mr. Douglas Mpindiwa
HEAD OF BUSINESS UNIT (CCF)



Mr. Kenneth Mukada
HUMAN RESOURCES EXECUTIVE



Mr. Revesai Gwenhamo
COMMERCIAL EXECUTIVE



Mr. Eric Berejena
OPERATIONS EXECUTIVE

Corporate Governance Report

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

THE BOARD

The Company is managed in adherence to established standards of corporate governance, and in conformity with the King IV Code of Corporate Governance. The Board comprises 8 Directors, two of whom are Executive Directors. The roles of the Chairman and the Group Chief Executive Officer vest in separate individuals, in line with best practice. The Board meets at least once every quarter for the purposes of formulating policies and strategies, 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 pertaining to 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, as well as risk monitoring and evaluation mechanisms. It assesses the objectivity of the External Auditors, in addition to the level of non-audit services supplied and ensures that there is an appropriate audit relationship. The committee comprises of Mr. G.T. Nyamayi (Chairman), Mr. M.E. Chiremba and Ms. O. Kava.

Human Capital and Remuneration Committee:

The Human Capital and Remuneration Committee provides oversight over the remuneration of employees below the level of Executive Director and Senior Manager, ensuring that compensation is consistent with the Company's culture, strategy and control environment. The Committee is also responsible to the Board for the policies relating to recruitment, training and development, promotion, resignation, dismissal and retirement, as well as conditions of service for all staff below the level of Executive Director and Senior Manager. The committee comprises of Mr. C. Matorera (Chairman) and Ms. S.N. Njerere.

Corporate Governance Report

Nominations Committee:

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

- Matters relating to the structure and composition of the Board.
- Matters relating to senior executive selection and performance.
- Matters relating to the recruitment of the Chief Executive Officer and fixing compensation for Executive Directors and Senior Managers.

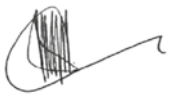
The committee comprises of Dr. R.J. Mbire (Chairman), Mr. C. Matorera and Mr. G.T. Nyamayi.

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.



Mr. D. Maworera
COMPANY SECRETARY



The Group employs competent and talented employees who provide excellent service to drive growth and improve performance. To optimise human capital contribution, the Group provides a conducive working environment grounded on our core values of care, accountability, performance, commitment and sound ethics.

Directors' Report

The Directors have pleasure in presenting their report and the financial statements of Starafrica Corporation Limited and its subsidiaries (together "the Group") for the year ended 31 March 2024.

NON-CURRENT ASSETS

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

	INFLATION ADJUSTED	
	2024 ZWL	**2023 ZWL**
Property, plant and equipment	325 838 342 309	321 602 919 957
Investment property	165 727 500 000	180 118 532 609
Investment in associate	36 286 123 885	40 885 811 688
Balance as at 31 March	**527 851 966 194**	**542 607 264 254**

BORROWING POWERS

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

a) twice the amount of issued and paid up share capital of the Company; and
b) twice the aggregate amounts of capital and revenue reserves of the Company, including share premium.

DIVIDEND

The Group continues on a retooling and plant refubishment programme. As a result, there is need to preserve working capital, therefore, the Directors have decided not to declare a dividend for the year ended 31 March 2024 (31 March 2023: ZWL Nil).

IMPACT OF STATUTORY INSTRUMENT ("SI") 92 (2024)

SI 92 of 2024, Value Added Tax ("VAT") (General) (Amendment) Regulations changed the VAT status of white sugar from Standard-rate to exempt. This has had the impact of increasing the Group's production costs, as it can no longer claim VAT input. Despite the increase in production costs, the Group forecasts generating positive operating cash flow in its budget for the 2025 financial year enabled by cost rationalisation, as well as enhanced plant efficiencies that will be achieved from the on-going plant refurbishment programme. The Group continues to engage the regulators on legislative changes that have significant impact on the viability of the business.

Directors' Report

SHARE CAPITAL

Details of authorised and issued share capital are set out in note 18 to the financial statements.

DIRECTORATE

The names of the current Directors of the Company are set out on pages 30-32. Shareholders will be asked to re-elect the Directors retiring by rotation and approve Directors' fees for the year ended 31 March 2024. Subsequent to the year ended 31 March 2024, Mr. R. Nyabadza resigned on 31 March 2024 and Mr. F. Myambuki resigned on 7 July 2024.

By Order Of the Board



Mr. D. Maworera

COMPANY SECRETARY

Directors' Responsibility Statement

RESPONSIBILITY

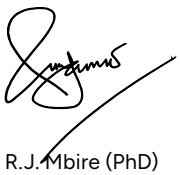
It is the directors' responsibility to prepare annual financial statements that present a true and fair view of the Company and the Group as at the end of the financial year; and of the profit or loss for the year in accordance with International Financial Reporting Standards ("IFRS") and in the manner 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 basis of preparation note 2.1 under "Notes to Financial Statements", the financial statements have not been prepared in conformity with IFRS, promulgated by the International Accounting Standards Board (the "IASB"). As such the Group has not complied with the Companies and Other Business Entities Act (Chapter 24:31) and the relevant Statutory Instruments.

APPROVAL OF FINANCIAL STATEMENTS

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



R.J. Mbire (PhD)
CHAIRMAN
8 July 2024



Mr .F. Myambuki
ACTING CHIEF EXECUTIVE OFFICER
8 July 2024

Certificate By The Company Secretary



Mr. Dzingayi Maworera
FINANCE DIRECTOR AND 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.

Mr. D. Maworera
COMPANY SECRETARY

Our Financials

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INDEPENDENT AUDITOR'S REPORT

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Camelsa Business Park
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To the members of Starafrica Corporation Limited

Report on the Audit of the Inflation Adjusted Group and Company Financial Statements

Qualified Opinion

We have audited the Inflation Adjusted Group and Company financial statements of Starafrica Corporation Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 49 to 120, which comprise the Inflation Adjusted Group and Company statements of financial position as at 31 March 2024, and the Inflation Adjusted Group and Company statements of profit or loss and other comprehensive income, the Inflation Adjusted Group and Company statements of changes in equity and the Inflation Adjusted Group and Company statements of cash flows for the year then ended, and the notes to the Group and Company financial statements, including a summary of significant Group accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the Inflation Adjusted Group and Company financial statements present fairly, in all material respects, the financial position of Starafrica Corporation Limited as at 31 March 2024, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates, International Financial Reporting Standard (IFRS) 13 – Fair Value Measurement in the prior financial years and International Accounting Standard (IAS) 8 – Accounting Policies, Changes in Accounting Estimates and Errors

During the prior financial years, the foreign currency denominated transactions and balances of the Group and Company were translated into ZWL using the interbank exchange rates which were not considered

appropriate spot rates for translations as required by IAS 21, '*The Effects of Changes in Foreign Exchange Rates*', and the Group's property valuations were determined using USD valuation inputs which were then translated to ZWL using the interbank foreign exchange rate. Although the determined USD values reflected the fair value of the investment property, and property, plant and equipment in USD, the converted ZWL fair values were not in compliance with IFRS 13, '*Fair Value Measurement',* as they did not reflect the assumptions that market participants would have applied in valuing similar items of investment property, and property, plant and equipment in ZWL. The opinion on the prior year Group and Company financial statements was modified in respect of these matters and the misstatements have not been corrected in the Group and Company financial statements for the year ended 31 March 2024.

As the non-compliance with IAS 21 and IFRS 13 is from prior financial years and there have been no restatements to the prior year financial statements in accordance with IAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors',* the retained earnings and revaluation reserve in the Inflation Adjusted Group and Company financial statements may contain misstatements. Our opinion on the current year Inflation Adjusted Group and Company financial statements is modified because of the residual effects of non-compliance with IAS 21 and IFRS 13 on the retained earnings and revaluation reserve, respectively in the Group and Company financial statements.

The effects of the above non-compliance with the requirements of IAS 21 and IFRS 13 have been considered to be material but not pervasive to the Inflation Adjusted Group and Company financial statements.

Financial results of equity accounted investment included in the financial statements not audited

As described in **note 14** to these Inflation Adjusted Group and Company financial statements, included in equity accounted investment is the Group's share of profit from its investment in an associate, Tongaat Hulett (Botswana) (Proprietary) Limited. The financial statements of the associate company have not been audited. As a result, we were unable to satisfy ourselves that all necessary adjustments and disclosures have been made to the financial statements of Tongaat Hulett (Botswana) (Proprietary) Limited for the year ended 31 March 2024. Accordingly, we were unable to determine the effect this might have on the share of profit, foreign currency translation exchange differences and investment in associate in the Inflation Adjusted Group and Company financial statements of Starafrica Corporation Limited for the year ended 31 March 2024.

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 Group and Company Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Inflation Adjusted Group and Company financial statements of the current year. These matters were addressed in the context of our audit of the Inflation Adjusted Group and Company financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion*, we have determined the matters described below to be the key audit matters to be communicated in our report:

Areas of focus	How our audit addressed the key audit matter
Revenue recognition There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA) 240 – "*The Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements*" *Revised*. There is a risk that revenues are presented at amounts higher than what has been generated by the Company. This is a significant risk and accordingly a key audit matter.	Our audit procedures incorporated a combination of tests of the Group's controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following: • Reviewed that the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15 – '*Revenue from contracts with customers'*. • Performed cut-off tests on year-end balances to ensure revenue is recognised in the correct period. • Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. • Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. • The results of our controls testing have been the basis for the nature and scoping of the additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation). • Analytical procedures and assessed the reasonableness of explanations provided by management. Based on the audit work performed, we satisfied ourselves that the Group revenue recognition is appropriate and in compliance with the requirements of IFRS 15 – *Revenue from Contracts with Customers*.
Adequacy of allowance for credit losses on trade receivables As at 31 March 2024, the Group had trade receivables amounting to **ZWL 38 209 762 253**. This was considered to be an area of focus as *IFRS 9 - Financial Instruments* requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables. Key areas of judgement included:	Assessed management's allowance for credit losses, which included the following: • We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9; • We assessed and tested the modelling assumptions with a focus on the: i. Key modelling assumptions adopted by the Company.

• The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company's expected credit loss model; and • Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows.	ii. Reliability of the historical data collected; and iii. Appropriateness of macroeconomic factors used. • We examined a sample of exposures and performed procedures to evaluate the: i. Timely identification of exposures with a significant deterioration in credit quality; and ii. Expected loss calculation for exposures assessed on an individual basis. • We assessed the adequacy of the disclosures in the financial statements. Based on our audit work performed, the assumptions used by management were appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report, 'Corporate governance', 'Chairman's report', and 'Managing Director's report', which we obtained prior to the date of this auditor's report. The other information does not include the Inflation Adjusted Group and Company financial statements and our auditor's report thereon. Our opinion on the Inflation Adjusted Group and Company financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Inflation Adjusted Group and Company Financial Statements

Management is responsible for the preparation and fair presentation of the Inflation Adjusted Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines is necessary to enable the preparation of Inflation Adjusted Group and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Inflation Adjusted Group and Company financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Group and Company Financial Statements

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

We communicate with those charged with governance 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.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Group and Company Financial Statements

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

We communicate with those charged with governance 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 those charged with governance 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 Inflation Adjusted Group and Company financial statements of the current year and are therefore key the 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.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the Inflation Adjusted Group and Company financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The Engagement Partner on the audit resulting in this independent auditor's report is Trevor Mungwazi.

Grant Thornton

Trevor Mungwazi
Partner

Registered Public Auditor (PAAB No: 0622)

08 July 2024

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

Group Statement Of Financial Position

As at 31 March 2024

	Notes	GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
ASSETS					
Non-current assets					
Property, plant and equipment	12	325 838 342 309	321 602 919 957	291 911 622 818	8 665 683 218
Investment property	13	165 727 500 000	180 118 532 609	165 727 500 000	5 854 000 000
Investment in associate	14	36 286 123 885	40 885 811 688	36 286 123 885	1 328 822 405
		527 851 966 194	542 607 264 254	493 925 246 703	15 848 505 623
Current assets					
Inventories	15	296 231 328 716	51 762 183 846	30 811 839 836	1 680 951 158
Trade and other receivables	16.2	38 209 762 254	81 541 171 460	38 209 762 254	2 650 154 934
Prepayments and deposits	16.1	27 523 214 740	52 423 047 911	27 523 214 740	1 672 517 234
Cash and bank balances	17.5	3 236 444 701	25 478 033 969	3 236 444 701	828 056 995
		365 200 750 411	**211 204 437 186**	**99 781 261 531**	**6 831 680 321**
Total assets		**893 052 716 605**	**753 811 701 440**	**593 706 508 234**	**22 680 185 944**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	18	1 977 351 805	1 977 351 805	480 866	480 866
Share premium		237 518 953 620	237 518 953 620	57 761 526	57 761 526
Foreign currency translation reserve		98 045 085 503	65 598 389 492	33 843 774 721	1 397 078 710
Revaluation reserve		107 931 352 599	105 944 398 451	232 690 445 991	5 946 737 775
Retained earnings/(accumulated loss)		90 891 782 425	(22 239 619 782)	(21 343 732 357)	3 862 525 936
		536 364 525 952	**388 799 473 586**	**245 248 730 747**	**11 264 584 813**
Non-controlling interest	14.3	13 971 077 700	15 313 486 530	13 966 685 849	497 702 699
Total equity		**550 335 603 652**	**404 112 960 116**	**259 215 416 596**	**11 762 287 512**
Non-current liabilities					
Deferred tax liability	21	58 958 921 984	54 993 625 568	50 732 900 669	1 345 671 770
Current liabilities					
Payables and provisions	22	235 435 931 051	261 362 596 518	235 435 931 051	8 488 567 447
Short-term borrowings	19	759 002	23 353 312	759 002	759 002
Bank overdraft	17.5	46 610 033 721	28 072 198 581	46 610 033 721	912 369 472
Income tax payable	10	1 711 467 195	5 246 967 345	1 711 467 195	170 530 741
Total current liabilities		**283 758 190 969**	**294 705 115 756**	**283 758 190 969**	**9 572 226 662**
Total liabilities		**342 717 112 953**	**349 698 741 324**	**334 491 091 638**	**10 917 898 432**
Total equity and liabilities		**893 052 716 605**	**753 811 701 440**	**593 706 508 234**	**22 680 185 944**

* Historical cost results are included as supplementary information.

R. J. Mbire (PhD)
CHAIRMAN
8 July 2024

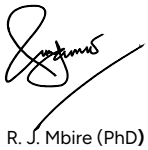
Mr. F. Myambuki
ACTING CHIEF EXECUTIVE OFFICER
8 July 2024

Company Statement Of Financial Position

As at 31 March 2024

	Notes	COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
ASSETS					
Non-current assets					
Investment in an associate	14.1	408 241 168	408 241 168	99 279	99 279
Investment in subsidiaries	14.2	78 065 366 627	78 065 366 627	37 176 598	37 176 598
		78 473 607 795	**78 473 607 795**	**37 275 877**	**37 275 877**
Current assets					
Trade and other receivables	16.2	5 711 908 181	18 810 287 455	5 711 908 181	611 349 765
Cash and cash equivalents	17.5	212 292 758	5 078 920 076	212 292 758	165 069 067
		5 924 200 939	**23 889 207 531**	**5 924 200 939**	**776 418 832**
Total assets		**84 397 808 734**	**102 362 815 326**	**5 961 476 816**	**813 694 709**
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Share capital	18	1 977 351 805	1 977 351 805	480 866	480 866
Share premium		237 518 953 620	237 518 953 620	57 761 526	57 761 526
(Accumulated loss)/retained earnings		(157 510 290 446)	(139 461 911 389)	3 495 678 367	679 776 714
Total equity		**81 986 014 979**	**100 034 394 036**	**3 553 920 759**	**738 019 106**
Non-current liabilities					
Deferred tax liability	21	34 629 409	24 175 640	30 391 711	785 730
Current liabilities					
Payables and provisions	22	165 265	5 084 949	165 265	165 265
Income tax payable	10	2 376 999 081	2 299 160 701	2 376 999 081	74 724 608
Total current liabilities		**2 377 164 346**	**2 304 245 650**	**2 377 164 346**	**74 889 873**
Total equity and liabilities		**84 397 808 734**	**102 362 815 326**	**5 961 476 816**	**813 694 709**

* Historical cost results are included as supplementary information.



R. J. Mbire (PhD)
CHAIRMAN
8 July 2024



Mr. F. Myambuki
ACTING CHIEF EXECUTIVE OFFICER
8 July 2024

Group Statement Of Profit Or Loss And Other Comprehensive Income

For The Year Ended 31 March 2024

	Notes	GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Revenue from contracts with customers	3.1	1 893 600 886 487	1 532 257 690 462	376 053 717 710	42 170 080 794
Rental income	3.2	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510
Total revenue	**3**	**1 903 924 535 141**	**1 542 643 173 764**	**377 635 149 711**	**42 467 137 304**
Cost of sales	4	(1 554 886 626 419)	(1 297 769 862 969)	(319 154 811 000)	(35 927 133 840)
Gross profit		**349 037 908 722**	**244 873 310 795**	**58 480 338 711**	**6 540 003 464**
Other income	5	16 371 881 958	17 893 643 022	4 223 435 116	550 123 197
Fair value gain on investment property	13	5 216 498 325	79 836 660 155	160 071 998 604	4 740 460 000
Selling and distribution expenses	6.1	(143 436 597 776)	(52 640 418 304)	(13 015 490 161)	(1 597 050 395)
Administrative expenses	6.2	(396 072 412 202)	(215 952 787 451)	(67 292 913 686)	(5 940 918 235)
Allowance for expected credit loss	16	(712 833 053)	(3 295 019 176)	(5 810 611 852)	(149 328 105)
Exchange losses	7	(509 574 534 742)	(57 993 129 289)	(155 127 057 940)	(1 862 774 394)
Operating (loss)/ profit		**(679 170 088 768)**	**12 722 259 752**	**(18 470 301 208)**	**2 280 515 532**
Finance costs	8	(13 906 676 045)	(1 530 802 025)	(2 045 426 285)	(49 599 967)
Finance income	8	627 223	3 919 101	236 194	106 047
Monetary gain /(loss)		807 601 027 920	(74 685 979 108)	-	-
Share of profit of an associate	14.1	6 882 366 970	9 832 752 129	6 882 366 970	319 572 507
Profit/(loss) before income tax	**9**	**121 407 257 300**	**(53 657 850 151)**	**(13 633 124 329)**	**2 550 594 119**
Income tax (expense)/credit	10	(9 618 263 923)	433 021 457	1 895 849 186	(159 782 633)
Profit/(loss) for the year		**111 788 993 377**	**(53 224 828 694)**	**(11 737 275 143)**	**2 390 811 486**
Other comprehensive income					
Items that may be subsequently reclassified to profit or loss:					
Exchange differences on translating foreign operations	14.1	32 446 696 011	34 424 833 311	32 446 696 011	1 118 835 311
Items that may not be subsequently reclassified to profit or loss:					
Revaluation surplus	12	205 265 264	99 892 301 451	281 898 064 924	5 826 600 732
Income tax relating to components of other comprehensive income	21	1 781 688 884	(14 486 957 947)	(55 154 356 708)	(964 212 727)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:		**1 986 954 148**	**85 405 343 504**	**226 743 708 216**	**4 862 388 005**
Total other comprehensive income		**34 433 650 159**	**119 830 176 815**	**259 190 404 227**	**5 981 223 316**
Total comprehensive income for the year		**146 222 643 536**	**66 605 348 121**	**247 453 129 084**	**8 372 034 802**
Profit /(loss) attributable to					
Non-controlling interests	14.3	(1 342 408 830)	(16 205 459 245)	13 468 983 150	332 654 850
Equity holders of the parent		113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
		111 788 993 377	**(53 224 828 694)**	**(11 737 275 143)**	**2 390 811 486**
Total comprehensive income/(loss) attributable to:					
Non-controlling interests	14.3	(1 342 408 830)	(16 205 459 245)	13 468 983 150	332 654 850
Equity holders of the parent		147 565 052 366	82 810 807 366	233 984 145 934	8 039 379 952
		146 222 643 536	**66 605 348 121**	**247 453 129 084**	**8 372 034 802**
Earnings per share					
Basic earnings/(loss) per ordinary share (cents)	11.1	2,352.66	(769.85)	(524.18)	42.80
Diluted earnings/(loss) per ordinary share (cents)	11.2	2,352.66	(769.85)	(524.18)	42.80
Headline earnings/(loss) per ordinary share (cents)	11.3	10,094.31	(1,188.18)	(637.92)	(7.79)

*Historical cost results are included as supplementary information.

Company Statement Of Profit Or Loss And Other Comprehensive Income

For The Year Ended 31 March 2024

	Notes	COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Investment income	14.1	26 981 913 917	9 922 621 287	4 371 761 501	303 969 915
Administrative expenses		(12 811 555)	(4 893 208)	(5 305 664)	(150 368)
Allowance for expected credit loss	16.2	360 491 951	-	4 002 939	-
Exchange gain		955 748 125	2 914 202 107	955 748 125	94 713 958
Operating profit		**28 285 342 438**	**12 831 930 186**	**5 326 206 901**	**398 533 505**
Finance income	17.2	627 223	4 682 374	236 194	106 047
Monetary loss		(43 842 959 488)	(22 557 314 990)	-	-
(Loss)/profit before income tax		**(15 556 989 827)**	**(9 720 702 430)**	**5 326 443 095**	**398 639 552**
Income tax expense	10.2	(2 491 389 230)	(1 804 685 980)	(2 510 541 442)	(65 288 534)
(Loss)/profit for the year		**(18 048 379 057)**	**(11 525 388 410)**	**2 815 901 653**	**333 351 018**
Total comprehensive (loss)/ income		**(18 048 379 057)**	**(11 525 388 410)**	**2 815 901 653**	**333 351 018**

*Historical cost results are included as supplementary information.

Group Statement Of Changes In Equity

For The Year Ended 31 March 2024

INFLATION ADJUSTED	GROUP — Attributable To Equity Holders Of The Parent: Share Capital ZWL	Share Premium ZWL	Foreign currency translation Reserve ZWL	Revaluation reserve ZWL	Retained Earnings/ (Accumulated loss) ZWL	Total ZWL	Non-controlling Interest ZWL	Total Equity ZWL
Balance as at 31 March 2022	**1 977 351 805**	**237 518 953 620**	**31 173 556 181**	**20 539 054 947**	**14 779 749 667**	**305 988 666 220**	**31 518 945 775**	**337 507 611 995**
Total comprehensive income for the year:								
Loss for the year	-	-	-	-	(37 019 369 449)	(37 019 369 449)	(16 205 459 245)	(53 224 828 694)
Other comprehensive income	-	-	34 424 833 311	85 405 343 504	-	119 830 176 815	-	119 830 176 815
Balance as at 31 March 2023	**1 977 351 805**	**237 518 953 620**	**65 598 389 492**	**105 944 398 451**	**(22 239 619 782)**	**388 799 473 586**	**15 313 486 530**	**404 112 960 116**
Total comprehensive income for year:								
Profit for the year	-	-	-	-	113 131 402 207	113 131 402 207	(1 342 408 830)	111 788 993 377
Other comprehensive income	-	-	32 446 696 011	1 986 954 148	-	34 433 650 159	-	34 433 650 159
Balance as at 31 March 2024	**1 977 351 805**	**237 518 953 620**	**98 045 085 503**	**107 931 352 599**	**90 891 782 425**	**536 364 525 952**	**13 971 077 700**	**550 335 603 652**

HISTORICAL COST	GROUP — Attributable To Equity Holders Of The Parent: Share Capital ZWL	Share Premium ZWL	Foreign currency translation Reserve ZWL	Revaluation reserve ZWL	Retained Earnings/ (Accumulated loss) ZWL	Total ZWL	Non-controlling Interest ZWL	Total Equity ZWL
Balance as at 31 March 2022	**480 866**	**57 761 526**	**278 243 399**	**1 084 349 770**	**1 804 369 300**	**3 225 204 861**	**165 047 849**	**3 390 252 710**
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	2 058 156 636	2 058 156 636	332 654 850	2 390 811 486
Other comprehensive income	-	-	1 118 835 311	4 862 388 005	-	5 981 223 316	-	5 981 223 316
Balance as at 31 March 2023	**480 866**	**57 761 526**	**1 397 078 710**	**5 946 737 775**	**3 862 525 936**	**11 264 584 813**	**497 702 699**	**11 762 287 512**
Total comprehensive income for year								
Profit for the year	-	-	-	-	(25 206 258 293)	(25 206 258 293)	13 468 983 150	(11 737 275 143
Other comprehensive income	-	-	32 446 696 011	226 743 708 216	-	259 190 404 227	-	259 190 404 227
Balance as at 31 March 2024	**480 866**	**57 761 526**	**33 843 774 721**	**232 690 445 991**	**(21 343 732 357)**	**245 248 730 747**	**13 966 685 849**	**259 215 416 596**

* Historical cost results are included as supplementary information.

Company Statement Of Changes In Equity

For The Year Ended 31 March 2024

INFLATION ADJUSTED	COMPANY			
	Share capital ZWL	Share premium ZWL	Retained earnings/ Accumulated ZWL	Total ZWL
Balance as at 31 March 2022	**1 977 351 805**	**237 518 953 620**	**(127 936 522 979)**	**111 559 782 446**
Total comprehensive loss for the year	-	-	(11 525 388 410)	(11 525 388 410)
Balance as at 31 March 2023	**1 977 351 805**	**237 518 953 620**	**(139 461 911 389)**	**100 034 394 036**
Total comprehensive loss for the year	-	-	(18 048 379 057)	(18 048 379 057)
Balance as at 31 March 2024	**1 977 351 805**	**237 518 953 620**	**(157 510 290 446)**	**81 986 014 979**

HISTORICAL COST	COMPANY			
	Share capital ZWL	Share premium ZWL	Retained earnings/ Accumulated ZWL	Total ZWL
Balance as at 31 March 2022	**480 866**	**57 761 526**	**346 425 696**	**404 668 088**
Total comprehensive income for the year	-	-	333 351 018	333 351 018
Balance as at 31 March 2023	**480 866**	**57 761 526**	**679 776 714**	**738 019 106**
Total comprehensive income for the year	-	-	2 815 901 653	2 815 901 653
Balance as at 31 March 2024	**480 866**	**57 761 526**	**3 495 678 367**	**3 553 920 759**

* Historical cost results are included as supplementary information.

Group Statement Of Cash Flows

For The Year Ended 31 March 2024

	Notes	GROUP			
		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash flows from operating activities					
Cash (utilised in)/generated from operations	17.4	(831 083 125 051)	63 107 236 523	(36 462 175 874)	305 222 770
Finance costs paid	17.2	(13 906 676 045)	(1 530 802 025)	(2 045 426 285)	(49 599 967)
Taxation paid	10.2	(1 846 637 184)	(6 283 552 146)	(1 004 071 141)	(174 493 843)
Net cash flows (utilised in)/generated from operating activities		**(846 836 438 280)**	**55 292 882 352**	**(39 511 673 300)**	**81 128 960**
Cash flows from Investing activities					
Acquisition of property, plant and equipment	12	(9 410 895 055)	(43 305 787 475)	(1 560 812 559)	(1 281 293 602)
Proceeds on disposal of property, plant and equipment		-	892 492 744	-	25 640 777
Proceeds on disposal of investment property		29 905 291 519	13 831 436 731	2 972 275 422	440 604 255
Finance income received	17.2	627 223	3 919 101	236 194	106 047
Dividends received from associate	14.1	26 981 913 917	9 922 621 287	4 371 761 501	303 969 915
Net cash flows generated from/ (utilised in) investing activities		**47 476 937 604**	**(18 655 317 612)**	**5 783 460 558**	**(510 972 608)**
(Decrease)/increase in cash and cash equivalents		**(799 359 500 676)**	**36 637 564 740**	**(33 728 212 742)**	**(429 843 648)**
Cash and cash equivalents at the beginning of the year		(2 594 164 612)	37 373 074 016	(84 312 477)	414 994 374
Net exchange differences		(9 561 063 800)	(2 137 275 389)	(9 561 063 801)	(69 463 203)
Impact of inflation		768 141 140 068	(74 467 527 979)	-	-
Cash and cash equivalents at the end of the year	**17.5**	**(43 373 589 020)**	**(2 594 164 612)**	**(43 373 589 020)**	**(84 312 477)**

*Historical cost results are included as supplementary information.

Company Statement Of Cash Flows

For The Year Ended 31 March 2024

	Notes	COMPANY			
		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash flows from operating activities					
Cash generated from/(utilised in) operations	17.4	13 900 312 261	19 777 928 634	(4 286 199 855)	(215 209 156)
Taxation paid	10.2	(1 369 655 823)	(2 031 415 087)	(178 660 988)	(26 064 109)
Net cash flows (utilised in)/generated from operating activities		**12 530 656 438**	**17 746 513 547**	**(4 464 860 843)**	**(241 273 265)**
Cash flows from investing activities					
Finance income received	17.2	627 223	4 682 374	236 194	106 047
Dividends received from associate		26 981 913 917	9 922 621 287	4 371 761 501	303 969 915
Net cash flows generated/(used) in investing activities		**26 982 541 140**	**9 927 303 661**	**4 371 997 695**	**304 075 962**
Net increase / (decrease) in cash and cash equivalents		**39 513 197 578**	**27 673 817 208**	**(92 863 148)**	**62 802 697**
Cash and cash equivalents at the beginning of the year		5 078 920 076	680 146 317	165 069 067	7 552 413
Net exchange differences		140 086 699	2 914 202 107	140 086 839	94 713 957
Impact of inflation		(44 519 911 595)	(26 189 245 556)	-	-
Cash and cash equivalents at the end of the year	**17.5**	**212 292 758**	**5 078 920 076**	**212 292 758**	**165 069 067**

* Historical cost results are included as supplementary information.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

1. CORPORATE INFORMATION

1.1 Corporate Information

The consolidated financial statements of Starafrica Corporation Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2024 were authorised for issue in accordance with a resolution of the directors on 4 July 2024. Starafrica Corporation Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded through the Zimbabwe Stock Exchange.

1.2 Corporate information

Nature of business

Name	% Equity interest		Nature of Business
	2024	2023	
Starafrica Corporation Limited			Holding company
Starafrica Operations (Private) Limited	100%	100%	Sugar production, purification, marketing and distribution, along with the manufacturing of sugar specialty, grocery, and snack products.
Goldstar Sugars	100%	100%	Sugar production, purification, marketing and distribution.
Country Choice Foods	100%	100%	Manufacturing of sugar specialty, grocery, and snack products.
Quality Properties	100%	100%	Property-holding company
Charring Cross Properties	100%	100%	Property-holding company
Red Star Holdings Limited	100%	100%	Dormant
Silver Star Properties (Private) Limited	100%	100%	Property-holding company
Starafrica International Limited	100%	100%	Dormant
Namibstar Trading (Proprietary) Limited	100%	100%	Dormant
Tongaat Hulett (Botswana) Limited	33.33%	33.33%	Packaging and distribution of refined sugar
Safariland Investments (Private) Limited	70%	70%	Property-holding company

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

2.1 Basis of preparation

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

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Determination of functional currency.

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

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

a. **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.

b. **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.

c. **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 65% 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.1 Basis of preparation (Continued)

Determination of functional currency. (Continued)

d. The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

Funds from financing activities were mainly generated in foreign currency, particularly the United States Dollar. All receipts from activities are retained in ZWL through the Group's bank accounts. The business is not enticed to immediately convert ZWL operating income earned to any other currency as the main costs of operations are designated in ZWL.

After considering the above factors and judgements 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.

2.2 Statement of compliance

These financial statements for the year ended 31 March 2024 have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

2.3 Application of IAS 29: Financial reporting in hyperinflationary economies

These financial statements have been prepared under the inflation adjusted accounting basis in line with the provisions of IAS 29 - Financial Reporting in Hyperinflationary Economies ("IAS 29"). The Public Accountants and Auditors Board ("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.

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date and that corresponding figures for previous periods be stated in the same terms as the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) up to 31 January 2023.

On the 3rd of March 2023, Minister of Finance and Economic Development introduced Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 which states that the rate of inflation is now blended for both the Zimbabwe and United States dollars. The separate consumer price index for the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available. Consequently, ZIMSTAT stopped reporting ZW$ inflation and CPI figures and only released blended CPI figures. In September 2023 further changes were experienced as a geometric method of calculating inflation was introduced. The Group faced challenges, which had been using the ZW$ CPI for restating historical figures to reflect hyperinflation.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (Continued)

Prior to the change in the CPI methodology, the use of indices issued by ZIMSTAT made it possible for businesses in Zimbabwe to compare results. While it would be preferable for all companies using the ZW$ functional currency to use the same index, the standard allows each business to determine its own index for the purpose of compliance with IFRS. The determination of an appropriate index is a significant area of judgement, and the timing of the resolution of the uncertainty regarding the CPI is unknown.

In efforts to guide businesses, the Institute of Chartered Accountants of Zimbabwe (ICAZ) in May 2023 provided a recommendations on IAS 29 - Financial Accounting in Hyper Inflationary Economies which proposed the use of official publicly available information in determining the CPI estimates. ZIMSTAT publishes monthly statistics on the Total Consumption Poverty Line (TCPL) in ZW$, which measures the amount required to purchase both non-food and food items. By analysing the correlation between the movement in TCPL and the officially published CPI from January 2019 to January 2022, a very strong relationship with a coefficient correlation of 0.99 was observed and ICAZ consequently determined that from February 2023 going forward CPI can be estimated by adjusting the last published CPI based on the monthly movement of the TCPL. The Group adopted this guidance.

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

Month	All Items CPI Indices	Conversion Factors
March 2024	429 220	1.0000
February 2024	258 942	1.6576
January 2024	93 216	4.6046
December 2023	65 703	6.5327
November 2023	53 916	7.9609
October 2023	49 223	8.7200
September 2023	44 721	9.5978
August 2023	42 660	10.0614
July 2023	46 634	9.2040
June 2023	42 711	10.0495
May 2023	18 705	22.9473
April 2023	15 480	27.7271
March 2023	13 950	30.7685

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (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 as derived from an indepemdent valuer.

Property, plant and equipment

Property, plant and equipment was restated at 31 March 2024 conversion factor. 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, as determined by an independet valuer, was accounted for as a revaluation gain through other comprehensive income.

Investment properties

Investment property was restated at the 31 March 2024 conversion factor. 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 fair value gain through profit or loss statement.

Investment in associate

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

Deferred tax liability

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

Inventory

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (Continued)

Trade receivables

The amounts are a monetary asset and hence were not inflation adjusted as at 31 March 2024. Comparatives were restated at the adjustment factor as at 31 March 2023.

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 2024. Comparatives were restated at the adjustment factor as at 31 March 2023.

Trade payables

The amounts are a monetary liability and hence were not inflation adjusted as at 31 March 2024. Comparatives were restated at the adjustment factor as at 31 March 2023.

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 2024.

Loans and borrowings

The amounts constitute monetary liabilities and thus were not inflation adjusted as at 31 March 2024. Comparatives were restated at the adjustment factor as at 31 March 2023.

Revaluation reserve

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

Other reserves

The opening reserves was eliminated on the date of implementing IAS 29 against retained earnings. Movements from that date were recalculated by applying the conversion factors relevant to the date of the movement in the other reserves.

Issued capital

The opening balance was restated using the adjustment factor as at 31 March 2023. Movements from that date were recalculated using the adjustment factor at the date of the related movement.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (Continued)

Statement of cash flow

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

Gain or loss on net monetary position

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

The historical cost information has been shown as supplementary information for the benefit of users. These are not required in terms of IAS 29. The independent auditor has not expressed an opinion on the historical cost information.

2.4 Basis of consolidation

The Group's consolidated financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2024.

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.

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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.4 Basis of consolidation (Continued)

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.

2.5 New or revised standards or amended and interpretations

2.5.1 Standards issued and effective in the current year

Some accounting pronouncements which have become effective 1 January 2023 have therefore been adopted and do not have a significant impact on the groups financial results or position.

2.5.2 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 New or revised standards or amended and interpretations (continued)

2.5.2 Standards issued but not yet effective (continued)

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

Amendments to IAS 1: Classification of Liabilities as Current or Non-current

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months.The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 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 12 and accounting policy note for more information on property, plant and equipment.

ii. Revaluation of property, plant and equipment and fair value of investment property

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

The Group engaged independent valuation specialists, Integrated Properties (Private) Limited, to determine fair values of properties held by the Group as at 31 March 2024. 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions

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

The Group uses a provision matrix to calculate ECLs on trade 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 then 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 growth rate) 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. The information about the ECLs on the Group's trade receivables and the carrying amount of receivables is disclosed in Note 26.4.

iv. 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.

v. 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Significant accounting judgments, estimates and assumptions

v. Variable returns (continued)

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 2024 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.

vi. Investment property without title deeds

Three (3) properties have no title deeds. Of these, one (1) is held under lease with rural district councils. Transfer of ownership is in progress for these properties. Management assessed whether these properties were in the control of the Company to warrant their recognition as assets of the Company in its books. Management determined that, while the legal title has not yet passed to the Company pending completion of outstanding administrative tasks to give effect to the transfer, the Company is exposed to the risks and rewards associated with these assets. Further, the Company has the power to direct the operations of the properties and determine how best the properties can be used as the Company sees fit from time to time. There are no encumbrances on these properties due to debt or loan commitments. All future benefits associated with these assets are expected to accrue to the Company. Management has, therefore, determined that these are assets within the control of the Company and, consequently, have been recognised as the Company's investment property in the statement of financial position as at 31 March 2024.

2.7 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Foreign currency translations

i) Transactions and balances

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

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

ii) Group companies

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

2.8 Revenue from contracts with customers

Accounting policy

The Group recognised revenue primarily from the sale of granulated sugar and sugar specialties products. Sugar specialities are products made from sugar which comprise 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue from contracts with customers (Continued)

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 14 days upon delivery.

Delivery of the goods is a performance obligation that takes place at a point in time.

The Group recognises that delivery has occurred when control of the goods has passed on to the customer in the following manner,

Sale of goods to collecting customers

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

Sales of goods to customers with delivery

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

Variable consideration

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.8 Revenue from contracts with customers (Continued)

Rights of return

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

Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contracts. Rebates are only included as part of revenue if, and to the extent that, it is highly probable that their inclusion will not result in a significant revenue reversal in the future as 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.

2.9 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.

2.10 Dividend income

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

2.11 Rental income

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

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Cost of sales

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

2.13 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:

a. 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

b. 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.13 Taxes (Continued)

Deferred tax (Continued)

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:

a. 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.

b. 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 relation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

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

Value Added Tax ("VAT")

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

a. 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.

b. 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.14 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.

2.15 Financial assets

Initial recognition and measurement

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

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

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

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

Subsequent measurement

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

- Financial assets at amortised cost (debt instruments)

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

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:

a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
and

b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

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

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

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

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Financial assets (Continued)

Impairment of financial assets (Continued)

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

Derecognition

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

• The rights to receive cash flows from the asset have expired

or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either

(a) the Group has transferred substantially all the risks and rewards of the asset, or

(b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

2.16 Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.16 Financial liabilities (Continued)

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.

2.17 Property, plant and equipment

Property, plant and equipment, which includes land and buildings, are measured at fair value less accumulated depreciation and impairment losses charged subsequent to the date of revaluation. 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 repairs 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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.17 Property, plant and equipment

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.

2.18 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 during prior year nor in the 2024 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. Also straight lining of the lease income did not apply as none of lease agreements with lessees contain rent escalation clauses. Lease receivables were scoped into the expected credit loss model with an allowance quantified and recognised in the financial statements.

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.18 Leases (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.

2.19 Borrowing costs

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

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

2.20 Inventories

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

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

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

2.21 Cash and cash equivalents

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.22 Investments in associates and subsidiaries

2.22.1 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.

2.22.2 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.

2.23 Investment property

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

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

2 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.23 Investment property (continued)

Investment properties are derecognised when either they have been disposed off (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.

2.24 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 2.6
- Property, plant and equipment Note 12

2.25 Other income

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
3	**TOTAL REVENUE**	**1 903 924 535 141**	**1 542 643 173 764**	**377 635 149 711**	**42 467 137 304**
	Set out below is the disaggregation of the Group's revenue:				
3.1	**Revenue from contracts with customers**				
	Food Segment				
	Revenue Type				
	Refined sugar	1 672 805 415 000	1 392 246 197 693	339 490 697 757	38 277 949 525
	Sugar specialties	220 795 471 487	140 011 492 769	36 563 019 953	3 892 131 269
		1 893 600 886 487	**1 532 257 690 462**	**376 053 717 710**	**42 170 080 794**
	Geographical markets				
	Zimbabwe	1 893 600 886 487	1 532 257 690 462	376 053 717 710	42 170 080 794
	Timing of revenue recognition				
	Goods transferred at a point in time	**1 893 600 886 487**	**1 532 257 690 462**	**376 053 717 710**	**42 170 080 794**

During the financial year ended 31 March 2024, no exports were made 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 23)

	INFLATION ADJUSTED		HISTORICAL COST	
Year ended 31 March 2024	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Revenue				
External customers	1 893 600 886 487	1 532 257 690 462	376 053 717 710	42 170 080 794
Inter-segment	122 540 456 904	99 478 034 119	22 956 691 402	2 702 361 796
	2 016 141 343 391	1 631 735 724 581	399 010 409 112	44 872 442 590
Inter-segment adjustments and eliminations	(122 540 456 904)	(99 478 034 119)	(22 956 691 402)	(2 702 361 796)
	1 893 600 886 487	**1 532 257 690 462**	**376 053 717 710**	**42 170 080 794**

3.2	**Revenue from rental income**				
	Properties segment				
	Revenue type				
	Rental income	**10 323 648 654**	**10 385 483 302**	**1 581 432 001**	**297 056 510**

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 23).

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

3 TOTAL REVENUE (CONTINUED)

3.2 Revenue from rental income (Continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Year ended 31 March 2024				
Revenue				
External customers	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510
External customers	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510
Inter-segment	-	5 842 530	-	143 460
	10 323 648 654	10 391 325 832	1 581 432 001	297 199 970
Inter-segment adjustments and eliminations	-	(5 842 530)	-	(143 460)
	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510

3.3 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	**21 830 969 912**	**41 143 043 517**	**21 830 969 912**	**1 331 251 404**

4 COST OF SALES

Direct employment costs (4.1)	82 013 423 473	49 122 902 927	12 932 096 827	1 293 859 609
Production chemicals	7 755 726 945	9 755 403 352	1 541 155 032	250 880 772
Fuel, oils and sundries	2 075 878 236	2 737 680 653	380 276 942	79 468 073
Raw sugar and cartage	1 223 072 683 216	999 500 598 314	258 110 272 811	28 013 444 965
Packaging	33 351 901 550	26 983 453 096	6 693 777 408	757 261 540
Equipment hire and maintanance	12 489 895 271	9 864 482 200	2 091 213 338	284 874 408
Coal / steam	56 246 289 462	72 979 666 446	12 471 129 674	2 062 932 707
Depreciation of plant and machinery	671 954 169	1 106 294 228	37 002 974	7 696 247
Plant repairs and maintenance	53 463 080 244	85 971 435 808	8 301 941 512	2 092 079 038
Electricity and water	83 745 793 853	39 747 945 945	16 595 944 482	1 084 636 481
	1 554 886 626 419	**1 297 769 862 969**	**319 154 811 000**	**35 927 133 840**

4.1 Direct employment costs

Basic wages and salaries	68 305 821 328	40 156 621 235	10 856 939 313	1 050 041 973
Allowances	11 692 505 712	7 877 219 384	1 833 024 294	213 392 450
Staff welfare	1 226 449 529	643 879 632	165 734 739	17 982 937
Other staff costs	788 646 904	445 182 676	76 398 481	12 442 249
	82 013 423 473	**49 122 902 927**	**12 932 096 827**	**1 293 859 609**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

5 OTHER INCOME

	INFLATION ADJUSTED		HISTORICAL COST	
Year ended 31 March 2024	**2024 ZWL**	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
Profit from disposal of investment property	9 844 259 189	4 290 817 068	2 320 275 422	334 664 255
Profit from disposal of property, plant and equipment	-	587 753 140	-	19 458 687
Other sundry income *	6 527 622 769	13 015 072 814	1 903 159 694	196 000 255
	16 371 881 958	17 893 643 022	4 223 435 116	550 123 197

*Other sundry income comprises of scrap sales and weighbridge income.

6 OPERATING EXPENSES

6.1	**Selling and distribution expenses**			
	Merchandising	13 018 657 866	6 789 223 018	2 392 767 743	195 295 871
	Advertising	3 297 864 261	2 748 063 468	514 378 332	79 999 063
	Quantity and settlement discounts	111 029 524 530	41 258 789 427	7 288 448 001	1 256 027 621
	Distribution	16 090 551 119	1 844 342 391	2 819 896 085	65 727 840
		143 436 597 776	**52 640 418 304**	**13 015 490 161**	**1 597 050 395**
6.2	**Administrative expenses**			
	Indirect employment costs (6.2.1)	233 001 742 634	106 192 397 364	36 546 233 144	2 894 502 587
	Directors' emoluments (6.2.2)	21 480 275 663	11 177 643 932	3 268 819 957	315 415 587
	Other overheads (6.2.3)	136 881 610 107	90 830 282 409	27 301 925 676	2 677 067 863
	Depreciation	4 708 783 798	7 752 463 746	175 934 909	53 932 198
		396 072 412 202	**215 952 787 451**	**67 292 913 686**	**5 940 918 235**
6.2.1	**Indirect employment costs**			
	Basic wages and salaries	59 242 092 195	16 125 867 920	9 789 623 931	389 530 372
	Allowances	28 949 136 585	2 906 988 135	3 752 407 619	86 531 263
	Bonuses	-	2 686 652 586	-	52 532 963
	Social security and health insurance costs	22 560 899 106	8 793 652 017	3 322 088 700	252 893 407
	Defined contribution plan	10 017 485 037	4 145 551 625	1 574 411 881	122 228 878
	Movement in leave pay provision	30 498 001 695	11 733 644 488	5 899 715 669	319 063 811
	Gratuity	29 972 860 292	2 938 492 232	3 580 664 514	83 454 428
	Staff welfare	30 926 665 447	27 997 935 624	5 594 598 607	800 400 690
	Other staff costs	20 834 602 277	28 863 612 737	3 032 722 223	787 866 775
		233 001 742 634	**106 192 397 364**	**36 546 233 144**	**2 894 502 587**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

6 OPERATING EXPENSES (CONTINUED)

		INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 March 2024	**2024 ZWL**	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
6.2.2	**Directors' emoluments:**				
	Fees	4 525 583 072	1 556 523 253	944 063 200	38 808 500
	Pension	7 864 510	8 042 382	1 047 995	206 172
	Salaries and other benefits	16 946 828 081	9 613 078 297	2 323 708 762	276 400 915
		21 480 275 663	11 177 643 932	3 268 819 957	315 415 587
6.2.3	**Other overheads**				
	Intermediated Money Transfer Tax ("IMTT")	14 492 449 595	13 940 979 537	2 609 278 636	381 101 408
	Auditors' remuneration	10 542 582 592	4 929 452 463	1 941 609 755	146 862 950
	Information, communication and technology	4 575 419 658	3 338 107 566	705 912 478	95 531 037
	Office and sundry costs	5 064 249 009	3 034 169 972	899 543 042	88 519 377
	Professional fees and subscriptions	40 742 598 666	36 867 643 137	9 165 486 448	1 047 823 559
	Buildings and Furniture - Repairs and maintenance	1 859 453 851	5 830 745 600	261 855 304	147 132 270
	Insurance and licenses	4 448 479 392	1 475 647 847	1 013 924 138	42 145 178
	Vehicles expenses	2 907 560 212	653 277 210	672 614 379	17 858 124
	Bank charges	4 831 027 390	5 595 900 503	674 590 675	170 297 827
	Communication expenses	221 043 453	759 797 195	30 287 355	19 910 587
	Security costs	19 341 190 239	5 478 456 058	2 402 203 343	152 824 701
	Safety, health and environmental costs	18 106 489 033	3 844 429 868	2 935 495 157	212 552 838
	Utilities, rent and rates	4 931 155 363	4 188 541 309	883 364 251	127 946 965
	Staff welfare	2 391 807 615	893 134 144	2 080 339 028	26 561 042
	Legal costs	2 426 104 039	-	1 025 421 687	-
		136 881 610 107	90 830 282 409	27 301 925 676	2 677 067 863
7	**EXCHANGE LOSSES**	**(509 574 534 742)**	**(57 993 129 289)**	**(155 127 057 940)**	**(1 862 774 394)**
8	**NET FINANCE COSTS**				
	Finance income	(627 223)	(3 919 101)	(236 194)	(106 047)
	Finance costs	13 906 676 045	1 530 802 025	2 045 426 285	49 599 967
		13 906 048 822	**1 526 882 924**	**2 045 190 091**	**49 493 920**
9	**PROFIT/(LOSS) FROM OPERATING ACTIVITIES**	121 407 257 300	(53 657 850 151)	(13 633 124 329)	2 550 594 119

(Loss)/profit from operating activities is arrived at after taking into account the following:

Directors' emoluments:	21 480 275 663	11 177 643 932	3 268 819 957	315 415 587
Exchange losses	(509 574 534 742)	(57 993 129 289)	(155 127 057 940)	(1 862 774 394)
Auditors' remuneration	10 542 582 580	4 929 452 463	1 941 609 754	146 862 950
Indirect employment costs	233 001 742 634	106 192 397 364	36 546 233 144	2 894 502 587

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

10 INCOME TAX

		INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 March 2024	**2024 ZWL**	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
10.1	**Income tax (Group)**				
	Current income tax charge	64 072 134	2 502 199 240	64 072 134	81 323 527
	Tax on foreign dividends	2 480 935 461	2 266 173 410	2 480 935 461	69 895 655
	Capital gains tax	1 326 271 028	-	1 326 271 028	-
	Deferred tax charge/(credit)	5 746 985 300	(5 201 394 107)	(5 767 127 809)	8 563 451
		9 618 263 923	**(433 021 457)**	**(1 895 849 186)**	**159 782 633**
	Income tax (Company)				
	Tax on foreign dividends	2 480 935 461	2 266 173 410	2 480 935 461	69 895 655
	Deferred tax charge/(credit)	10 453 769	(461 487 430)	29 605 981	(4 607 121)
		2 491 389 230	**1 804 685 980**	**2 510 541 442**	**65 288 534**
10.2	**Income tax reconciliation (Group)**				
	Profit/(loss) before tax	121 407 257 300	(53 657 850 151)	(13 633 124 329)	2 550 594 119
	Tax charge on profit before tax	30 011 874 005	(13 264 220 557)	(3 370 108 334)	630 506 866
	Adjusted for:				
	Permanent differences	8 383 005 900	23 110 378 900	1 932 218 668	151 063 969
	Temporary differences	(22 889 407 938)	(9 719 060 365)	4 869 397 535	(603 583 861)
	Dividend taxed at different rate	(656 395 110)	(560 119 435)	(96 544 121)	(18 204 341)
	Capital gains tax at different rate	(5 230 812 934)	-	(5 230 812 934)	-
		9 618 263 923	**(433 021 457)**	**(1 895 849 186)**	**159 782 633**
	Income tax reconciliation (Company)				
	(Loss)/profit before tax	(15 556 989 827)	(9 720 702 430)	5 326 443 095	398 639 552
	(Tax credit)/charge on profit before tax	(3 845 687 885)	(2 402 957 641)	1 316 696 733	98 543 697
	Adjusted for:				
	Permanent differences	3 011 972	5 575 010 762	1 253 173	(806 589)
	Temporary differences	6 990 460 252	617 157 116	1 289 135 657	408 998 134
	Dividend taxed at different rate	(656 395 109)	(1 984 524 257)	(96 544 121)	(441 446 708)
		2 491 389 230	**1 804 685 980**	**2 510 541 442**	**65 288 534**
10.3	**Income tax payable reconciliation (Group)**				
	Opening balances	5 246 967 345	17 453 498 333	170 530 741	193 805 402
	Current tax charge	64 072 134	2 502 199 240	64 072 134	81 323 527
	Tax on foreign dividends charge	2 480 935 461	2 266 173 410	2 480 935 461	69 895 655
	Monetary gain	(4 233 870 561)	(10 691 351 492)	-	-
	Tax paid	(1 846 637 184)	(6 283 552 146)	(1 004 071 141)	(174 493 843)
	Closing balances	**1 711 467 195**	**5 246 967 345**	**1 711 467 195**	**170 530 741**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

10 INCOME TAX (CONTINUED)

		INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31 March 2024	**2024 ZWL**	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
10.3	**Income tax payable reconciliation (Company)**				
	Opening balance at 1 April	2 299 160 701	2 782 130 916	74 724 608	30 893 062
	Tax on foreign dividends charge	2 480 935 461	2 266 173 410	2 480 935 461	69 895 655
	Monetary gain	(1 033 441 258)	(717 728 538)	-	-
	Tax paid	(1 369 655 823)	(2 031 415 087)	(178 660 988)	(26 064 109)
	Closing balance at 31 March	**2 376 999 081**	**2 299 160 701**	**2 376 999 081**	**74 724 608**

11 EARNINGS/(LOSS) PER SHARE

	Net profit/(loss) attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
	Weighted average number of ordinary shares for basic and diluted earnings / (loss) per share	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
11.1	**Basic earnings per share**				
	Profit/(loss) attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
	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)	2,352.66	(769.85)	(524.18)	42.80
11.2	**Diluted earnings per share**				
	Profit/(loss) attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
	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/(loss) per share (cents)	2,352.66	(769.85)	(524.18)	42.80
11.3	**Headline earnings per share**				
	Headline earnings	485 401 373 705	(57 135 767 151)	(30 675 512 962)	(374 748 839)
	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/(loss) per share (cents)	10,094.31	(1,188.18)	(637.92)	(7.79)
	Reconciliation of earnings used in calculating headline earnings per share				
	Profit/(loss) attributable to equity holders of the Company	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
	Adjusted for:				
	Fair value gain on investment properties	(5 216 498 325)	(79 836 660 155)	(160 071 998 604)	(4 740 460 000)
	Profit on sale of investment property	(9 844 259 188)	(4 290 817 068)	(2 320 275 422)	(334 664 255)
	Profit from sale of property, plant and equipment	-	(587 753 140)	-	(19 458 687)
	Exchange gain	509 574 534 742	57 993 129 289	155 127 057 940	1 862 774 394
	Adjusted earnings	607 645 179 436	(63 741 470 523)	(32 471 474 379)	(1 173 651 912)
	Total income tax effect on adjustments	(122 243 805 731)	6 605 703 372	1 795 961 417	798 903 073
	Headline earnings	**485 401 373 705**	**(57 135 767 151)**	**(30 675 512 962)**	**(374 748 839)**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

12 PROPERTY, PLANT AND EQUIPMENT

	INFLATION ADJUSTED					
	Land and Buildings ZWL	**Plant and Machinery ZWL**	**Motor vehicles ZWL**	**Furniture & equipment ZWL**	**Work in Progress ZWL**	**Total ZWL**
Opening net book amount	121 190 364 603	61 005 226 586	1 774 577 998	3 919 330 594	-	187 889 499 781
Additions	4 031 540 317	7 059 377 605	1 366 056 366	2 053 898 981	28 794 914 206	43 305 787 475
Disposals	-	-	(304 739 604)	-	-	(304 739 604)
Impairment loss	-	(2 701 705)	-	(318 469 467)	-	(321 171 172)
Revaluation surplus	99 892 301 451	-	-	-	-	99 892 301 451
Depreciation charge	(2 504 438 106)	(4 770 740 436)	(559 393 056)	(1 024 186 376)	-	(8 858 757 974)
Net book amount	**222 609 768 265**	**63 291 162 050**	**2 276 501 704**	**4 630 573 732**	**28 794 914 206**	**321 602 919 957**
As at 31 March 2023						
Cost or revalued amount	222 609 768 265	118 624 026 087	3 172 335 933	8 146 779 912	28 794 914 206	381 347 824 403
Accumulated depreciation	-	(55 332 864 037)	(895 834 229)	(3 516 206 180)	-	(59 744 904 446)
Net book amount	**222 609 768 265**	**63 291 162 050**	**2 276 501 704**	**4 630 573 732**	**28 794 914 206**	**321 602 919 957**
Year ended 31 March 2024						
Opening net book amount	222 609 768 265	63 291 162 050	2 276 501 704	4 630 573 732	28 794 914 206	321 602 919 957
Additions	636 891 585	1 932 674 106	-	615 529 296	6 225 800 068	9 410 895 055
Revaluation surplus	(27 793 164 485)	25 480 583 463	4 145 624 462	(1 627 778 176)	-	205 265 264
Depreciation charge	(4 452 195 365)	(671 954 169)	(81 267 525)	(175 320 908)	-	(5 380 737 967)
Net book amount	**191 001 300 000**	**90 032 465 450**	**6 340 858 641**	**3 443 003 944**	**35 020 714 274**	**325 838 342 309**
As at 31 March 2024						
Cost or revalued amount	191 001 300 000	90 032 465 450	6 340 858 641	3 443 003 944	35 020 714 274	325 838 342 309
Accumulated depreciation	-	-	-	-	-	-
Net book amount	191 001 300 000	90 032 465 450	6 340 858 641	3 443 003 944	35 020 714 274	325 838 342 309

The Company engaged a professional independent valuer, Integrated Properties, who carried out valuation of the Company's property, plant and equipment. The valuation was carried out as at 31 March 2024.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

	HISTORICAL COST					
	Land and Buildings ZWL	**Plant and Machinery ZWL**	**Motor vehicles ZWL**	**Furniture & equipment ZWL**	**Work in Progress ZWL**	**Total ZWL**
Year ended 31 March 2023						
Opening net book amount	1 345 710 000	246 966 148	13 196 230	23 296 735	-	1 629 169 113
Additions	89 739 188	386 592 420	38 306 135	54 394 142	712 261 717	1 281 293 602
Disposals	-	-	(6 185 466)	-	-	(6 185 466)
Impairment loss	-	(30 000)	-	(3 536 317)	-	(3 566 317)
Revaluation surplus	5 826 600 732	-	-	-	-	5 826 600 732
Depreciation charge	(27 049 920)	(16 256 884)	(6 585 350)	(11 736 292)	-	(61 628 446)
Closing net book amount	**7 235 000 000**	**617 271 684**	**38 731 549**	**62 418 268**	**712 261 717**	**8 665 683 218**
As at 31 March 2023						
Cost or revalued amount	7 235 000 000	649 095 201	46 821 136	77 764 066	712 261 717	8 720 942 120
Accumulated depreciation	-	(31 823 517)	(8 089 587)	(15 345 798)	-	(55 258 902)
Net book amount	**7 235 000 000**	**617 271 684**	**38 731 549**	**62 418 268**	**712 261 717**	**8 665 683 218**
Year ended 31 March 2024						
Opening net book amount	7 235 000 000	617 271 684	38 731 549	62 418 268	712 261 717	8 665 683 218
Additions	636 891 584	449 201 260	-	92 986 649	381 733 066	1 560 812 559
Revaluation surplus	183 264 408 416	89 003 559 779	6 311 578 269	3 318 518 460	-	281 898 064 924
Depreciation charge	(135 000 000)	(37 567 273)	(9 451 177)	(30 919 433)	-	(212 937 883)
Closing net book amount	**191 001 300 000**	**90 032 465 450**	**6 340 858 641**	**3 443 003 944**	**1 093 994 783**	**291 911 622 818**
As at 31 March 2024						
Cost or revalued amount	191 001 300 000	90 032 465 450	6 340 858 641	3 443 003 944	1 093 994 783	291 911 622 818
Accumulated depreciation	**-**	**-**	**-**	**-**	**-**	**-**
Net book amount	**191 001 300 000**	**90 032 465 450**	**6 340 858 641**	**3 443 003 944**	**1 093 994 783**	**291 911 622 818**

The Company engaged a professional independent valuer, Integrated Properties, who carried out valuation of the Company's property, plant and equipment. The valuation was carried out as at 31 March 2024.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12.1 Impairment indicators assessment

In assessing for impairment management considers financial indicators which include:

- The Group's net asset value was positive at ZWL774 billion.
- Cash flows – The Group had negative cashflows during the period.
- Reliance on short term borrowings – not the case with the Group. Gearing has reduced from 7% in prior year to 5% current year.
- Forecast of negative cash flows – As per the Board approved budget, the Group does not anticipate to have any negative cash flows in the foreseeable future.
- Slow collections from debtors – not the case with the Group. The debtors collection days has remained on 7 days from prior period.

Operational indicators

- Level of production – The Group had a decline in production in the current year from 77 270 tonnes in the prior year to 52 605 tonnes in the year ended 31 March 2024. This was, however, due to key input supply related issues experienced in the first half of the year, which have since been resolved.
- Level of sales in the market – The Group had a decrease in sales volumes in the current year from 82 231 tonnes in the prior year to 55 799 tonnes in the financial year ended 31 March 2024. This followed a decline in production volumes as highlighted above.

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.

12.2 Property provided as security

Property classified as property, plant and equipment with a carrying value of ZWL45.7 billion (2023: ZWL2.3 billion) was provided as security with respect to a bank overdraft facility.

12.3 Revaluation of property, plant and equipment

The Group carries property plant and equipment, including land and buildings, at fair value less accumulated depreciation and impairment. The revalued property consists of commercial land and buildings. The fair value of properties was determined by using market, income and cost approaches. The difference between the carrying amount as at 31 March 2023 and the fair value as at 31 March 2024 was deemed to be the revaluation in ZWL terms and was classified under other comprehensive income.

At date of revaluation, 31 March 2024, the properties' fair values were determined by Integrated Properties Private Limited, 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

In assessing the market values of commercial/industrial properties, both the direct comparison and the income capitalisation or investment approaches were used. Income producing real estate is typically purchased as an investment essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market oriented assumptions and data.

The Income Capitalisation Approach to value is employed to indicate the value of the freehold properties involving market-based decisions. This process considers a direct relationship whereby an overall capitalisation rate or all risks yield is applied to a single year's income. In brief a capitalisation rate is a rate used to convert a property's potential income into value. It is the rate at which the annual estimated potential income of a property is capitalised into perpetuity to help derive its market value. Hence, given the income produced by a property, its capital value can be estimated.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12.3 Revaluation of property, plant and equipment (continued)

Valuation techniques for commercial buildings (continued)

The market determines the capitalisation rate; i.e. the capitalisation rate is determined by the rate at which similar assets have traded recently and is influenced by various factors which include the following:

- rates of return on comparable properties.
- risk
- obsolescence
- inflation (perceptions)
- gross market rental growth rates
- rates of return on alternative investments
- property expenditure

In arriving at our opinion of values, we have also taken cognisance of the following important factors:

- the demand for property in the area with reference to rentals being achieved and vacancy rates.
- the general characteristic of the area in which the property is situated with reference to access to major arterial and national roads.
- the state of buildings surrounding the properties.
- the future prospects for the area.
- the state of the improvements.

Fairvalue 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 COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Fair value measurement using significant unobservable inputs (Level 3)				
Commercial buildings	184 731 300 000	207 687 067 835	184 731 300 000	6 750 000 000
Commercial land	6 270 000 000	14 922 700 430	6 270 000 000	485 000 000
Total	**191 001 300 000**	**222 609 768 265**	**191 001 300 000**	**7 235 000 000**
Reconciliation of fair value:				
Opening balance	**222 609 768 265**	**121 190 364 603**	**7 235 000 000**	**1 345 710 000**
Remeasurement recognised in profit or loss	(4 452 195 365)	(2 504 438 106)	(135 000 000)	(27 049 920)
Remeasurement recognised in other comprehensive income	(27 793 164 485)	99 892 301 451	183 264 408 416	5 826 600 732
Additions	636 891 585	4 031 540 317	636 891 584	89 739 188
Closing balance	**191 001 300 000**	**222 609 768 265**	**191 001 300 000**	**7 235 000 000**
If land and buildings were measured using the cost model, the carrying amounts would be as follows:				
Cost	135 138 140 144	134 501 248 560	758 359 312	121 467 728
Accumulated depreciation	(15 886 030 296)	(13 183 267 493)	(20 148 361)	(4 981 175)
Net carrying amount	**119 252 109 848**	**121 317 981 067**	**738 210 951**	**116 486 553**
Investment property				
Balance at 1 April	180 118 532 609	109 822 492 072	5 854 000 000	1 219 480 000
Additions	453 501 396	-	453 501 396	-
Disposal	(20 061 032 330)	(9 540 619 618)	(652 000 000)	(105 940 000)
Fair value adjusment	5 216 498 325	79 836 660 155	160 071 998 604	4 740 460 000
Balance at 31 March	**165 727 500 000**	**180 118 532 609**	**165 727 500 000**	**5 854 000 000**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

12.3 Revaluation of property, plant and equipment (continued)

Valuation techniques for commercial buildings (continued)

Investment properties were valued by Integrated Properties an accredited independent valuer. A valuation model in accordance with that recommended by the International Valuations Standards Committee has been applied.

Three (3) properties have no title deeds. Of these, one (1) is held under lease with rural district councils. Transfer of ownership is in progress for these properties. Management assessed whether these properties were in the control of the Company to warrant their recognition as assets of the Company in its books. Management determined that, while the legal title has not yet passed to the Company pending completion of outstanding administrative tasks to give effect to the transfer, the Company is exposed to the risks and rewards associated with these assets. Further, the Company has the power to direct the operations of the properties and determine how best the properties can be used as the Company sees fit from time to time. There are no encumbrances on these properties due to debt or loan commitments. All future benefits associated with these assets are expected to accrue to the Company. Management has, therefore, determined that these are assets within the control of the Company and, consequently, have been recognised as the Company's investment property in the statement of financial position as at 31 March 2024.

13 INVESTMENT PROPERTY

Investment property with a carrying value of ZWL77 billion (2023: ZWL3.12 billion) was provided as security with respect to a bank overdraft facility.

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

In determining the market value for residential properties, we considered comparable market evidence. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been finalised. We also looked at the prices that are being asked for in respect of properties that are currently on the market. We exercised professional judgement to adjust the market evidence to take cognisance of the fact that the properties in the transactions were not exactly comparable in terms of size, location, quality etc. to the subject properties.

This approach adopts the principle that the value of one property may be derived by comparing it with prices achieved from market transactions in similar properties. It is widely used in the valuation of straightforward residential, rural and commercial property assets.

Valuation techniques for commercial buildings

In assessing the market values of commercial/industrial properties, both the direct comparison and the income capitalisation or investment approaches were used. Income producing real estate is typically purchased as an investment essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market oriented assumptions and data.

The Income Capitalisation Approach to value is employed to indicate the value of the freehold properties involving market-based decisions. This process considers a direct relationship whereby an overall capitalisation rate or all risks yield is applied to a single year's income. In brief a capitalisation rate is a rate used to convert a property's potential income into value. It is the rate at which the annual estimated potential income of a property is capitalised into perpetuity to help derive its market value. Hence, given the income produced by a property, its capital value can be estimated.

The market determines the capitalisation rate; i.e. the capitalisation rate is determined by the rate at which similar assets have traded recently and is influenced by various factors which include the following:

- rates of return on comparable properties.
- risk
- obsolescence
- inflation (perceptions)
- gross market rental growth rates
- rates of return on alternative investments
- property expenditure

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

13 INVESTMENT PROPERTY (CONTINUED)

Valuation techniques for commercial buildings (continued)

In arriving at our opinion of values, we have also taken cognisance of the following important factors:

- the demand for property in the area with reference to rentals being achieved and vacancy rates.
- the general characteristic of the area in which the property is situated with reference to access to major arterial and national roads.
- the state of buildings surrounding the properties.
- the future prospects for the area.
- the state of the improvements.

Income and expenses relating to investment property	INFLATION ADJUSTED 2024 ZWL	INFLATION ADJUSTED 2023 ZWL	HISTORICAL COST 2024 ZWL	HISTORICAL COST 2023 ZWL
Rental income	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510
Direct operating costs incurred in generating the rental income	(2 188 786 507)	(1 287 818 955)	(555 717 467)	(35 757 751)
Net income	**8 134 862 147**	**9 097 664 347**	**1 025 714 534**	**261 298 759**

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 during the year under review nor in the 2024 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. Also straight lining of the lease income did not apply as none of lease agreements with lessees contain rent escalation clauses. Lease receivables were scoped into the expected credit loss model with an allowance quantified and recognised in the financial statements. The Group leases residential and industrial properties all around the country for lease periods not exceeding 12 months which are renewable only with the express agreement of the Group as the lessor. The Group retains the ownership rights over the properties by not putting any clauses in the contract which, explicitly or implicitly, cede the rights over the properties to the lessees. The contracts are kept as short-term without any automatic renewal clauses in the agreements.

Fair Value Hierarchy

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

	INFLATION ADJUSTED 2024 ZWL	INFLATION ADJUSTED 2023 ZWL	HISTORICAL COST 2024 ZWL	HISTORICAL COST 2023 ZWL
Fair value measurement using significant unobservable inputs (Level 3)				
Commercial	160 170 000 000	174 057 147 074	160 170 000 000	5 657 000 000
Residential	5 557 500 000	6 061 385 535	5 557 500 000	197 000 000
Total	**165 727 500 000**	**180 118 532 609**	**165 727 500 000**	**5 854 000 000**

The total value of land included in commercial properties is ZWL127 138 500 000 (2023 : ZWL1 208 994 938) and in residential properties is ZWL2 536 500 000 (2023 : ZWL45 140 614)

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 Group and Company Financial Statements

For The Year Ended 31 March 2024

14 INVESTMENTS

14.1 Investment in associate

The Group has a 33.33% (2023: 33.33%) equity stake in Tongaat Hulett (Botswana) (Proprietary) Limited (formerly Sugar Industries (Proprietary) Limited). Tongaat Hulett (Botswana)(Proprietary) Limited is a private entity that is not listed on any public exchange.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Investment at cost	408 241 168	408 241 168	99 279	99 279
Associate's statement of financial position:				
Non-current assets	18 818 898 348	23 869 992 373	18 818 898 348	775 794 325
Current assets	141 546 840 877	171 150 215 635	141 546 840 877	5 562 522 345
Current liabilities	(50 292 744 619)	(69 566 674 168)	(50 292 744 619)	(2 260 973 952)
Non-current liabilities	(1 214 622 951)	(2 796 098 776)	(1 214 622 951)	(90 875 503)
Net assets	**108 858 371 655**	**122 657 435 064**	**108 858 371 655**	**3 986 467 215**
Share of the associate's statement of financial position:	**36 286 123 885**	**40 885 811 688**	**36 286 123 885**	**1 328 822 405**
Revenue	288 926 052 719	496 290 936 358	288 926 052 719	16 129 862 371
Cost of sales	(247 937 000 640)	(428 677 198 563)	(247 937 000 640)	(13 932 360 452)
Administrative expenses	(14 666 258 220)	(29 293 805 514)	(14 666 258 220)	(952 072 699)
Finance costs	(48 099 470)	(161 180 826)	(48 099 470)	(5 238 509)
Profit before tax	**26 274 694 389**	**38 158 751 455**	**26 274 694 389**	**1 240 190 711**
Income tax expense	(5 627 593 478)	(8 660 495 069)	(5 627 593 478)	(281 473 191)
Profit for the year	**20 647 100 911**	**29 498 256 386**	**20 647 100 911**	**958 717 520**
Total comprehensive income	**20 647 100 911**	**29 498 256 386**	**20 647 100 911**	**958 717 520**
Group's share of total comprehensive income for the year	**6 882 366 970**	**9 832 752 129**	**6 882 366 970**	**319 572 507**
Dividend received from associate	26 981 913 917	9 922 621 287	4 371 761 501	303 969 915
Reconciliation of investment in associate				
Opening balance	**40 885 811 699**	**17 505 650 324**	**1 328 822 405**	**194 384 502**
Share of profits	6 882 366 970	9 832 752 129	6 882 366 970	319 572 507
Dividends received	(26 981 913 917)	(9 922 621 287)	(4 371 761 501)	(303 969 915)
Effects of changes in exchange rates	32 446 696 011	34 424 833 311	32 446 696 011	1 118 835 311
Monetary loss	(16 946 836 878)	(10 954 802 789)	-	-
Closing balance	**36 286 123 885**	**40 885 811 688**	**36 286 123 885**	**1 328 822 405**

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

14 INVESTMENTS (CONTINUED)

14.2 Investments in subsidiaries

Subsidiary	Ownership	
Starafrica Operations (Private) Limited	100%	
Red Star Holdings Limited **	100%	
Silver Star Properties (Private) Limited - 14.2 (a)		100%
Starafrica International Limited **	100%	
Namibstar Trading (Proprietary) Limited **	100%	

** - subsidiaries are dormant

	INFLATION ADJUSTED		HISTORICAL COST	
Investment at cost	**2024 ZWL**	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
Starafrica Operations (Private) Limited	1 675 007 678	1 675 007 678	18 599 454	18 599 454
Silver Star Properties (Private) Limited - 14.2 (a)	76 390 296 982	76 390 296 982	18 577 129	18 577 129
Starafrica International Limited **	8 461	8 461	2	2
Namibstar Trading (Proprietary) Limited **	53 506	53 506	13	13
	78 065 366 627	**78 065 366 627**	**37 176 598**	**37 176 598**
Reconciliation of carrying amounts of investments in subsidiaries				
Opening carrying amount of investments	78 065 366 627	78 065 366 627	37 176 598	37 176 598
Movement for the year	-	-	-	-
Closing carrying amount of investments	78 065 366 627	78 065 366 627	37 176 598	37 176 598

14.2a Investment in Silverstar Properties (Private) Limited

Starafrica Corporation Limited holds 100% (2023: 100%) equity in Silverstar Properties (Private) Limited. Silverstar Properties, in turn, holds equity in 3 property companies, namely Safariland Investments (Private) Limited (70% equity) (2023: 70%), Charring Cross Properties (Private) Limited (100% equity) (2023: 100%) and Quality Properties (Private) Limited (100%) (2023: 100%) equity.

14.3 Material partly-owned subsidiaries

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

Proportion of equity interest held by non controlling interest

Name	Proportion of equity interest held by non controlling interest
Safariland Investments (Private) Limited	30%

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
Accumulated balances of material non controlling interest	13 971 077 700	15 313 486 530	13 966 685 849	497 702 699
Profit allocated to material non controlling interest	(1 342 408 830)	(16 205 459 245)	13 468 983 150	332 654 850
Summarised statement of profit or loss - Safariland Investments (Private) limited				
Revenue	-	-	-	-
Other income	-	-	-	-
Administrative expenses	-	-	-	-
Fair value adjustment- investment property	3 813 056 439	18 554 206 931	47 275 000 000	1 167 210 000
Loss on net monetary position	(8 097 099 718)	(71 644 694 066)	-	-
Profit before income tax	(4 284 043 279)	(53 090 487 134)	47 275 000 000	1 167 210 000
Income tax	(190 652 822)	(927 710 348)	(2 363 750 000)	(58 360 500)
Profit for the year	(4 474 696 101)	(54 018 197 482)	44 911 250 000	1 108 849 500
Attributable to non controlling interest	(1 342 408 830)	(16 205 459 245)	13 468 983 150	332 654 850

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

14 INVESTMENTS (CONTINUED)

14.3 Material partly-owned subsidiaries (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Summarised statement of financial position - Safariland Investments (Private) limited				
Investment property	48 735 000 000	44 921 943 560	48 735 000 000	1 460 000 000
Trade and other receivables	272 117 895	8 372 647 028	272 117 895	272 117 895
Cash and cash equivalents	-	-	-	-
Trade and other payables	(108 895)	(3 538 311)	(108 895)	(108 898)
Deferred tax	(2 436 750 000)	(2 246 097 178)	(2 451 389 500)	(73 000 000)
Total equity	**46 570 259 000**	**51 044 955 099**	**46 555 619 500**	**1 659 008 997**
Attributable to:				
Equity holders of the parent	32 599 181 300	35 731 468 569	32 588 933 651	1 161 302 028
Non controlling interest	13 971 077 700	15 313 486 530	13 966 685 849	497 702 699
	46 570 259 000	**51 044 955 099**	**46 555 619 500**	**1 659 008 997**
Summarised cash flow information - Safariland Investments (Private) limited				
Profit before income tax	3 813 056 439	18 554 206 931	47 275 000 000	1 167 210 000
Valuation gain on investment property	(3 813 056 439)	(18 554 206 931)	(47 275 000 000)	(1 167 210 000)
Cash generated from / (used in) operations	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	-	-	-

15 INVENTORIES

Raw materials	92 592 500 499	10 590 053 433	9 633 877 345	343 884 077
Work in progress	51 683 513 952	9 720 190 794	5 384 961 458	315 914 171
Finished products	103 954 208 949	17 560 492 341	10 811 545 812	570 613 237
Consumables	48 001 105 316	13 891 447 278	4 981 455 221	450 539 673
	296 231 328 716	**51 762 183 846**	**30 811 839 836**	**1 680 951 158**

The amount of inventory expensed during the year is ZWL 1 323 913 849 334 (2023: ZWL 1 111 956 801 861).

16 RECEIVABLES AND PREPAYMENTS

16.1 Prepayments and deposits

Capital expenditure	6 083 892 612	24 642 089 152	6 083 892 612	788 645 040
Production inputs and spares	16 400 950 190	10 771 898 691	16 400 950 191	347 361 822
Raw materials	2 265 487 789	16 855 754 890	2 265 487 788	531 555 263
Other services	2 772 884 149	153 305 178	2 772 884 149	4 955 109
	27 523 214 740	**52 423 047 911**	**27 523 214 740**	**1 672 517 234**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

16 RECEIVABLES AND PREPAYMENTS (CONTINUED)

16.2 Trade and other receivables

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Trade receivables	37 568 120 730	62 598 085 046	-	-
Allowance for expected credit losses	(5 981 859 532)	(5 269 026 479)	-	(360 491 951)
Receivables for disposed assets	121 787	3 747 198	-	-
Value added tax	3 304 431 117	23 639 123 845	-	-
Other receivables	1 700 051 001	569 241 850	-	-
Amounts owed by related parties (note 25)	1 618 897 151	-	5 711 908 181	19 170 779 406
	38 209 762 254	**81 541 171 460**	**5 711 908 181**	**18 810 287 455**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Trade receivables	37 568 120 730	2 034 489 092	-	-
Allowance for expected credit losses	(5 981 859 532)	(171 247 680)	-	(4 002 939)
Receivables for disposed assets	121 787	121 787	-	-
Value added tax	3 304 431 117	768 290 908	-	-
Other receivables	1 700 051 001	18 500 827	-	-
Amounts owed by related parties (note 25)	1 618 897 151	-	5 711 908 181	615 352 704
	38 209 762 254	**2 650 154 934**	**5 711 908 181**	**611 349 765**

The above trade and other receivables are net of allowance for expected credit losses of ZWL171 247 681 (2023: ZWL171 247 681).

As at 31 March 2024, the Group did not hold any security on trade and other receivables.

Reconcilliation of the allowance for credit losses

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Opening balance	5 269 026 479	1 974 007 303	360 491 951	360 491 951
Charge for the year	712 833 053	3 295 019 176	(360 491 951)	-
Closing balance	**5 981 859 532**	**5 269 026 479**	**-**	**360 491 951**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Opening balance	171 247 680	21 919 575	4 002 939	4 002 939
Charge for the year	5 810 611 852	149 328 105	(4 002 939)	-
Closing balance	**5 981 859 532**	**171 247 680**	**-**	**4 002 939**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

17 NOTES TO THE STATEMENTS OF CASH FLOWS

17.1 Cash (used in)/generated from operations

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Profit/(loss) before tax	121 407 257 300	(53 657 850 151)	(15 556 989 827)	(9 720 702 430)
Depreciation	5 380 737 967	8 858 757 974	-	-
Fair value gain on investment property	(5 216 498 325)	(79 836 660 155)	-	-
Allowance for expected credit losses (Note 16)	712 833 053	3 295 019 176	(360 491 951)	-
Assets write-off to profit or loss	-	321 171 159	-	-
Loss/(gain) on net monetary position	(807 601 027 920)	74 685 979 108	43 842 959 488	22 557 314 990
Unrealised exchange (gain)/loss	59 218 718 170	2 137 275 483	(136 083 899)	-
Profit on disposal of investment property	(9 844 259 188)	(4 290 817 068)	-	-
Profit on disposal of assets	-	(587 753 140)	-	-
Dividends received from associate	-	-	(26 981 913 917)	(9 922 621 287)
Share of profit of an associate	(6 882 366 970)	(9 832 752 129)	-	-
	(642 824 605 913)	**(58 907 629 743)**	**807 479 894**	**2 913 991 273**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
(Loss)/profit before tax	(13 633 124 329)	2 550 594 119	5 326 443 095	398 639 552
Depreciation	212 937 883	61 628 446	-	-
Fair value loss / (gain) on investment property	(160 071 998 604)	(4 740 460 000)	-	-
Allowance for expected credit losses (Note 16)	5 810 611 852	149 328 105	(4 002 939)	-
Assets write-off to profit or loss	-	3 567 527	-	-
Unrealised exchange (gain)/loss	1 970 679 525	69 463 197	(136 083 900)	(94 713 957)
Profit on disposal of investment property	(2 320 275 422)	(19 458 687)	-	-
Profit on disposal of assets	-	(334 664 255)	-	-
Dividends received from associate	-	-	(4 371 761 501)	(303 969 915)
Share of profit of an associate	(6 882 366 970)	(319 572 507)	-	-
	(174 913 536 065)	**(2 579 574 055)**	**814 594 755**	**(44 320)**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

17 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

17.2 Net finance costs

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Finance income	(627 223)	(3 919 101)	(627 223)	(4 682 374)
Finance costs	13 906 676 045	1 530 802 025	-	-
	13 906 048 822	**1 526 882 924**	**(627 223)**	**(4 682 374)**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Finance income	(236 194)	(106 047)	(236 194)	(106 047)
Finance costs	2 045 426 285	49 599 967	-	-
	2 045 190 091	**49 493 920**	**(236 194)**	**(106 047)**

17.3 Working capital changes

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
(Increase)/decrease in inventories	(244 469 144 870)	4 129 714 240	-	-
Decrease/(increase) in trade and other receivables	43 331 409 206	(49 112 094 984)	13 098 379 274	16 878 418 042
Increase in prepayments	24 899 833 171	-	-	-
(Decrease)/increase in trade and other payables	(25 926 665 467)	165 470 364 086	(4 919 684)	(9 798 307)
	(202 164 567 960)	120 487 983 342	13 093 459 590	16 868 619 735

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
(Increase)/decrease in inventories	(29 130 888 678)	(1 064 408 753)	-	-
Decrease/(increase) in trade and other receivables	(35 559 607 320)	(3 524 058 794)	(5 100 558 416)	(215 058 789)
(Increase)/ decrease in prepayments	(25 850 697 506)	-	-	-
Increase in trade and other payables	226 947 363 604	7 423 770 452	-	-
	136 406 170 100	**2 835 302 905**	**(5 100 558 416)**	**(215 058 789)**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

17 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

17.4 Cash (utilised in)/generated from operations

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash (utilised in)/generated from operations (17.1)	(642 824 605 913)	(58 907 629 743)	807 479 894	2 913 991 273
Net finance cost (17.2)	13 906 048 822	1 526 882 924	(627 223)	(4 682 374)
Working capital changes (17.3)	(202 164 567 960)	120 487 983 342	13 093 459 590	16 868 619 735
	(831 083 125 051)	**63 107 236 523**	**13 900 312 261**	**19 777 928 634**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash (utilised in)/generated from operations (17.1)	(174 913 536 065)	(2 579 574 055)	814 594 755	(44 320)
Net finance cost (17.2)	2 045 190 091	49 493 920	(236 194)	(106 047)
Working capital changes (17.3)	136 406 170 100	2 835 302 905	(5 100 558 416)	(215 058 789)
	(36 462 175 874)	**305 222 770**	**(4 286 199 855)**	**(215 209 156)**

17.5 Cash and cash equivalents

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash and cash equivalents comprise the following at 31 March:				
Cash and bank balances	3 236 444 701	25 478 033 969	212 292 758	5 078 920 076
Bank overdraft	(46 610 033 721)	(28 072 198 581)	-	-
	(43 373 589 020)	(2 594 164 612)	212 292 758	5 078 920 076

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash and cash equivalents comprise the following at 31 March:				
Cash and bank balances	3 236 444 701	828 056 995	212 292 758	165 069 067
Bank overdraft	(46 610 033 721)	(912 369 472)	-	-
	(43 373 589 020)	(84 312 477)	212 292 758	165 069 067

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

18 SHARE CAPITAL

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Issued and fully paid share capital (4 808 662 335 ordinary shares of ZWL0.0001)	1 977 351 805	1 977 351 805	480 866	480 866
Unissued share capital	274 953 047	274 953 047	519 134	519 134

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

19 BORROWINGS

19.1 Long term borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Concurrent creditors	759 002	23 353 312	759 002	759 002
less current portion of long term loans	(759 002)	(23 353 312)	(759 002)	(759 002)
	-	-	-	-

19.2 Short term borrowings

Concurrent creditors	759 002	23 353 312	759 002	759 002
Total interest bearing borrowings	759 002	23 353 312	759 002	759 002

19.3 Reconciliation of interest bearing borrowings

Opening balance	23 353 312	68 353 288	759 002	759 002
Effects of inflation	(22 594 310)	(44 999 976)	-	-
Closing balance	759 002	23 353 312	759 002	759 002

The Secondary Scheme of Arrangement with creditors provided for the conversion of amounts owed to concurrent creditors amounting to ZWL 9 171 160 (historical cost) into a five-year loan. The loan was to be paid at the end of five years and attracted interest at a nominal rate of 7% (2023: 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 2024, the balance outstanding to DuPont is nil. The Scheme of Arrangement, as per its terms of reference, expired in February 2022. As at 31 March 2024, the balance remaining represents amounts owed to creditors which the Group has failed to locate in the last five years. Efforts to trace their whereabouts continue.

19.4 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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

19 BORROWINGS (CONTINUED)

19.4 Borrowing powers (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Authorised borrowings per Articles of Association	1 625 330 071 274	808 225 920 329	506 631 518 976	23 524 575 016
Bank overdraft	46 605 797 292	28 072 198 581	46 605 797 292	912 369 472
Loans and borrowings (Note 19.2)	759 002	23 353 312	759 002	759 002
Total borrowings	**46 606 556 294**	**28 095 551 893**	**46 606 556 294**	**913 128 474**
Borrowing limit headroom	1 578 723 514 980	780 130 368 436	460 024 962 682	22 611 446 542

20 COMMITMENTS AND CONTIGENCIES

20.1 Operating lease commitments - Group as lessor

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

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2024 are as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Within one year	513 190 073	11 762 236 916	513 190 073	382 282 344
Capital expenditure commitments				
Authorised but not contracted for	20 941 672 373	158 538 867 588	20 941 672 373	5 152 643 192

20.2 CONTINGENCIES

Labour cases

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

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

Tenant eviction

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

21 DEFERRED TAX

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Opening balance	54 993 625 568	45 708 061 728	24 175 640	485 663 070
Charge/ (credit) to profit and loss	5 746 985 300	(5 201 394 107)	10 453 769	(461 487 430)
Charge to other comprehensive income	(1 781 688 884)	14 486 957 947	-	-
Closing balance	**58 958 921 984**	**54 993 625 568**	**34 629 409**	**24 175 640**
Analysis of deferred taxation				
Property, plant and equipment	67 494 354 785	57 565 185 162	-	-
Investment property	8 286 375 000	9 005 926 630	-	-
Provisions	(1 572 987 918)	(3 132 491 276)	-	-
Unrealised exchange loss	(15 248 819 883)	(8 444 994 948)	34 629 409	24 175 640
Net liability at 31 March	**58 958 921 984**	**54 993 625 568**	**34 629 409**	**24 175 640**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Opening balance at 1 April	1 345 671 770	372 895 592	785 730	5 392 851
Charge/ (credit) to profit and loss	(5 767 127 809)	8 563 451	29 605 981	(4 607 121)
Charge to other comprehensive income	55 154 356 708	964 212 727	-	-
	50 732 900 669	1 345 671 770	30 391 711	785 730

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Analysis of deferred taxation				
Property, plant and equipment	59 268 333 480	1 429 249 565	-	-
Investment property	8 286 375 000	292 700 000	-	-
Provisions	(1 572 987 918)	(101 808 535)	-	-
Unrealised exchange loss/(gain)	(15 248 819 893)	(274 469 260)	30 391 711	785 730
Net liability at 31 March	**50 732 900 669**	**1 345 671 770**	**30 391 711**	**785 730**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

22 PAYABLES AND PROVISIONS

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Trade payables	110 127 123 046	137 803 188 022	-	-
Provisions (22.1)	7 235 420 974	12 678 406 807	-	-
Contract liabilities (3)	21 830 969 912	41 143 043 517	-	-
Statutory obligations	5 805 107 128	6 362 025 458	-	-
Other payables	90 437 309 991	63 375 932 714	165 265	5 084 949
	235 435 931 051	**261 362 596 518**	**165 265**	**5 084 949**

	HISTORICAL COST			
	GROUP		COMPANY	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Trade payables	110 127 123 046	4 478 716 604	-	-
Provisions (22.1)	7 235 420 974	412 058 617	-	-
Contract liabilities (3)	21 830 969 912	1 331 251 404	-	-
Statutory obligations	5 805 107 128	206 771 043	-	-
Other payables	90 437 309 991	2 059 769 779	165 265	165 265
	235 435 931 051	**8 488 567 447**	**165 265**	**165 265**

		INFLATION ADJUSTED		HISTORICAL COST	
		2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
22.1	**Provisions**				
	Leave pay liability (22.2)	5 453 639 295	10 669 081 039	5 453 639 295	346 753 882
	Audit fees	655 051 649	2 002 809 255	655 051 649	65 092 943
	Other	1 126 730 030	6 516 513	1 126 730 030	211 792
	Closing balance	**7 235 420 974**	**12 678 406 807**	**7 235 420 974**	**412 058 617**
22.2	**Leave pay liability**				
	Opening balance	10 669 081 039	2 643 173 006	346 753 882	85 905 290
	Movement during the year	30 498 001 695	19 598 422 617	5 106 885 413	260 848 592
	Effects of inflation	(35 713 443 439)	(11 572 514 584)	-	-
	Closing balance	**5 453 639 295**	**10 669 081 039**	**5 453 639 295**	**346 753 882**

Notes to the Group and Company Financial Statements

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23 SEGMENT INFORMATION

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

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

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

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

Revenue from five customers contributing more than 10 percent of total sales each, arising from sales in the purified sugar segment.

	INFLATION ADJUSTED			
	Food ZWL	**Properties ZWL**	**Eliminations ZWL**	**Consolidated ZWL**
Year Ended 31 March 2024				
Revenue				
External customers				
Purified sugar	1 672 805 415 000	-	-	1 672 805 415 000
Sugar specialties	220 795 471 487	-	-	220 795 471 487
Rentals	-	10 323 648 654	-	10 323 648 654
Total revenue from external customers	1 893 600 886 487	10 323 648 654	-	1 903 924 535 141
Inter-segment revenue	122 540 456 904	-	(122 540 456 904)	-
Total revenue	**2 016 141 343 391**	**10 323 648 654**	**(122 540 456 904)**	**1 903 924 535 141**
Results				
Selling and distribution expenses	143 436 597 776	-	-	143 268 475 524
Administrative expenses	409 886 779 226	(13 814 367 024)	-	396 072 412 202
Depreciation	(753 221 694)	(4 627 516 273)	-	(5 380 737 967)
Finance costs	(13 906 676 045)	-	-	(13 906 676 045)
Finance income	627 223	-	-	627 223
Expected credit loss	807 234 883	(1 520 067 936)	-	(712 833 053)
Fair value adjustment on investment property	-	5 216 498 325	-	5 216 498 325
Gain/(loss) on net monetary position	1 163 873 712 080	(102 315 743 186)	-	807 601 027 920
Share of profit of associate	-	-	6 882 366 789	6 882 366 789
Segment profit/(loss) before tax	222 920 880 065	(108 491 684 563)	6 882 366 789	121 311 562 291
Income tax expense	(7 667 800 499)	530 472 037	(2 480 935 461)	(9 618 263 923)
Assets and liabilities				
Capital expenditure	8 774 003 471	636 891 584	-	9 410 895 055
Operating assets	529 293 798 359	363 758 918 246	-	893 052 716 605
Operating liabilities	285 826 723 413	56 986 084 549	-	342 812 807 962

Notes to the Group and Company Financial Statements

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23 SEGMENT INFORMATION (CONTINUED)

	INFLATION ADJUSTED			
	Food ZWL	**Properties ZWL**	**Eliminations ZWL**	**Consolidated ZWL**
Year Ended 31 March 2023				
Revenue				
External customer				
Purified sugar	1 392 246 197 693	-	-	1 392 246 197 693
Sugar specialties	140 011 492 769	-	-	140 011 492 769
Rentals	-	10 385 483 302	-	10 385 483 302
Total revenue from external customers	1 532 257 690 462	10 385 483 302	-	1 542 643 173 764
Inter-segment	99 478 034 119	5 842 530	(99 483 876 649)	-
Total revenue	**1 631 735 724 581**	**10 391 325 832**	**(99 483 876 649)**	**1 542 643 173 764**
Results				
Selling and distribution expenses	(52 640 418 304)	-	-	(52 640 418 304)
Administrative expenses	(209 863 721 340)	(6 285 756 626)	196 690 515	(215 952 787 451)
Depreciation	(6 354 319 868)	(2 504 438 106)	-	(8 858 757 974)
Finance income	(1 530 802 025)	-	-	(1 530 802 025)
Finance costs	3 919 101	-	-	3 919 101
Expected credit loss	(3 081 208 069)	(213 811 107)	-	(3 295 019 176)
Fair value gain on investment property	-	79 836 660 155	-	79 836 660 155
Gain/(loss) on net monetary position	100 602 701 067	(175 288 680 175)	-	(74 685 979 108)
Share of profit of associate	-	-	9 832 752 108	9 832 752 108
Segment profit/(loss) before tax	21 288 840 719	(84 779 443 020)	9 832 752 108	(53 657 850 193)
Income tax expense	1 784 625 898	(3 566 157 227)	2 214 552 786	433 021 457
Assets and liabilities				
Capital expenditure	39 274 247 158	4 031 540 317	-	43 305 787 475
Operating assets	395 101 061 265	433 798 642 582	(75 088 002 396)	753 811 701 451
Operating liabilities	359 660 969 430	54 941 794 519	(64 904 022 645)	349 698 741 304

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

23 SEGMENT INFORMATION (CONTINUED)

	HISTORICAL COST			
	Food ZWL	**Properties ZWL**	**Eliminations ZWL**	**Consolidated ZWL**
Year Ended 31 March 2024				
Revenue				
External customers				
Purified sugar	339 490 697 757	-	-	339 490 697 757
Sugar specialties	36 563 019 953	-	-	36 563 019 953
Rentals	-	1 581 432 001	-	1 581 432 001
Total revenue from external customers	376 053 717 710	1 581 432 001	-	377 635 149 711
Inter-segment revenue	22 956 691 402	-	(22 956 691 402)	-
Total revenue	**399 010 409 112**	**1 581 432 001**	**(22 956 691 402)**	**377 635 149 711**
Results				
Selling and distribution expenses	(13 015 490 161)	-	-	(13 015 490 161)
Administrative expenses	71 710 890 120	(4 322 281 424)	-	67 388 608 696
Depreciation	(77 937 883)	(135 000 000)	-	(212 937 883)
Finance costs	(2 045 426 285)	-	-	(2 045 426 285)
Finance income	236 194	-	-	236 194
Expected credit loss	(3 532 625 647)	(2 277 986 205)	-	(5 810 611 852)
Fair value adjustment on investment property	-	160 071 998 604	-	160 071 998 604
Share of profit of associate	-	-	6 882 366 970	6 882 366 970
Segment profit/(loss) before tax	(183 080 462 711)	162 469 276 402	6 882 366 970	(13 728 819 339)
Income tax expense	5 318 660 903	(941 876 256)	(2 480 935 461)	1 895 849 186
Assets and liabilities				
Capital expenditure	923 920 975	636 891 584	-	1 560 812 559
Operating assets	229 947 589 986	363 758 918 248	-	593 706 508 234
Operating liabilities	277 600 702 098	56 986 084 549	-	334 586 786 647

	HISTORICAL COST			
Year ended 31 March 2023				
Revenue				
External customer				
Purified sugar	38 277 949 525	-	-	38 277 949 525
Sugar specialties	3 892 131 269	-	-	3 892 131 269
Rentals	-	297 056 510	-	297 056 510
Total revenue from external customers	42 170 080 794	297 056 510	-	42 467 137 304
Inter-segment	2 702 361 796	143 460	(2 702 505 256)	-
Total revenue	**44 872 442 590**	**297 199 970**	**(2 702 505 256)**	**42 467 137 304**
Results				
Selling and distribution expenses	(1 597 050 395)	-	-	(1 597 050 395)
Administrative expenses	(5 758 774 343)	(195 516 787)	5 676 648	(5 948 614 482)
Depreciation	(34 578 526)	(27 049 920)	-	(61 628 446)
Finance income	(49 599 967)	-	-	(49 599 967)
Finance costs	106 047	-	-	106 047
Expected credit loss	(138 856 767)	(10 471 338)	-	(149 328 105)
Impairment loss	-	-	-	-
Fair value adjustment on Investment Property	-	4 740 460 000	-	4 740 460 000
Share of profit of associate	-	-	319 572 507	319 572 507
Segment profit/(loss) before tax	(2 883 975 510)	5 114 997 122	319 572 507	2 550 594 119
Income tax expense	131 704 813	(223 269 504)	(68 217 942)	(159 782 633)

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

23 SEGMENT INFORMATION (CONTINUED)

	HISTORICAL COST			
	Food ZWL	Properties ZWL	Eliminations ZWL	Consolidated ZWL
Assets and liabilities				
Capital expenditure	1 191 554 414	89 739 188	-	1 281 293 602
Operating assets	11 021 796 004	14 098 811 587	(2 440 421 647)	22 680 185 944
Operating liabilities	10 214 660 851	1 785 653 373	(1 082 415 792)	10 917 898 432

Adjustments and eliminations

Exchange losses, share of profit from associates and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Inter-segment revenues are eliminated on consolidation.

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Segment (loss)/profit				
Food	(169 317 921 945)	(19 793 848 105)	(25 908 214 693)	(971 707 191)
Properties	(5 589 825 224)	10 672 577 012	2 397 277 811	374 537 118
	(174 907 747 169)	(9 121 271 093)	(23 510 936 882)	(597 170 073)
Fair value adjustment on investment property	5 216 498 325	79 836 660 155	160 071 998 604	4 740 460 000
Exchange loss	(509 574 534 742)	(57 993 129 289)	(155 127 057 940)	(1 862 774 394)
Share of profit from associate	6 882 366 789	9 832 752 108	6 882 366 970	319 572 506
Gain/(loss) on net monetary position	807 601 027 920	(74 685 979 108)	-	-
Finance costs	(13 906 676 045)	(1 530 802 025)	(2 045 426 285)	(49 599 967)
Finance income	627 213	3 919 101	236 194	106 047
	121 311 562 291	**(53 657 850 151)**	**(13 728 819 339)**	**2 550 594 119**
Reconciliation of assets				
Segment operating assets	856 766 592 720	712 925 889 772	557 420 384 349	21 351 363 539
Investment in associate	36 286 123 885	40 885 811 668	36 286 123 885	1 328 822 405
Group operating assets	**893 052 716 605**	**753 811 701 440**	**593 706 508 234**	**22 680 185 944**
Reconciliation of liabilities				
Segment operating liabilities	283 853 885 978	294 705 115 756	283 853 885 978	9 572 226 662
Deferred tax liabilities	58 958 921 984	54 993 625 568	50 732 900 669	1 345 671 770
Group operating liabilities	**342 812 807 962**	**349 698 741 324**	**334 586 786 647**	**10 917 898 432**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

24 PENSION AND RETIREMENT BENEFITS

24.1 Starafrica Corporation Limited Pension Fund

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Group pension scheme - defined contribution plan (note 25.5)	10 017 485 036	-	1 574 411 881	-
National Social Security - defined contribution plan (note 25.5)	2 653 849 808	8 347 371 076	366 444 275	252 062 312
	12 671 334 844	**8 347 371 076**	**1 940 856 156**	**252 062 312**

25 RELATED PARTY TRANSACTIONS

25.1 Parent Company

Starafrica Corporation Limited is listed on the Zimbabwe Stock Exchange, therefore has multiple shareholders. Takura III (Private) Limited and Investors in Africa - Takura Ventures (Private) Limited are the major shareholders with 57.4% (2023: 57.4%) shareholding.

25.2 Parties with significant influence over the Group

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

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

25.3 Related party transactions and balances

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

25 RELATED PARTY TRANSACTIONS (CONTINUED)

25.3 Related party transactions and balances (continued)

		INFLATION ADJUSTED		
Related party (Entities under common control as Starafrica) 2024	**Transaction type**	**Amount realised / (expensed) ZWL**	**Amounts owed by related parties ZWL**	**Amounts owed to related parties ZWL**
Amalgamated Brands Pvt Ltd	Management fees	(19 489 806 013)	-	564 384 801
Cailo Marketing Services (Pvt) Limited	Marketing services supply	(7 689 131 851)	-	655 083 612
Cailogistics Private Limited	Cartage services supply	(2 813 425 406)	-	164 933 468
Cairns Foods Ltd	Sale of goods	234 488 978	53 555 332	-
Cashel Valley	Sale of goods	5 581 571 548	765 925 953	-
Charhons Biscuits	Sale of goods	24 613 812 115	-	-
Intro-Wise Catering (Pvt) Ltd	Catering services supply	(11 000 745 019)	-	745 592 066
Lobels Holdings (Pvt) Ltd	Sale of goods	24 594 095 748	716 933 908	-
MC Meats (Pvt) Ltd	Sale of goods	1 079 188 352	82 481 958	-
Takura Management Services (Pvt) Ltd	Management fees	(28 557 849 465)	-	53 544 111 107
		(13 447 801 013)	**1 618 897 151**	**55 674 105 054**

Related party (Entities under common control as Starafrica) 2023	**Transaction type**	**Amount realised / (expensed) ZWL**	**Amounts owed by related parties ZWL**	**Amounts owed to related parties ZWL**
Cairns Foods Ltd	Sale of goods	33 686 461 459	360 872 620	-
Intro-wise Catering (Pvt) Ltd	Catering services supply	728 556 019	-	1 406 228 855
Lobel's Holdings (Pvt) Ltd	Sale of goods	21 068 646 970	275 441 075	-
MC Meats (Pvt) Ltd	Sale of goods	2 249 988 526	383 811 085	-
Takura Management Services (Pvt) Ltd	Management fees	(23 139 647 612)	-	49 822 397 768
Talwant Trading (Pvt) Ltd t/a Food Lover's Market Zimbabwe	Sale of goods	467 083 262	-	-
		35 061 088 624	**1 020 124 780**	**51 228 626 623**

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

25 RELATED PARTY TRANSACTIONS (CONTINUED)

25.3 Related party transactions and balances (continued)

		HISTORICAL COST		
Related party (Entities under common control as Starafrica) 2024	**Transaction type**	**Amount realised / (expensed) ZWL**	**Amounts owed by related parties ZWL**	**Amounts owed to related parties ZWL**
Amalgamated Brands Pvt Ltd	Management fees	(4 365 668 069)	-	564 384 801
Cailo Marketing Services (Pvt) Limited	Marketing services supply	(1 467 485 894)	-	655 083 612
Cailogistics Private Limited	Cartage services supply	(579 411 156)	-	164 933 468
Cairns Foods Ltd	Sale of goods	34 144 030	53 555 332	-
Cashel Valley	Sale of goods	1 063 741 315	765 925 953	-
Charhons Biscuits	Sale of goods	4 514 314 498	-	-
Intro-Wise Catering (Pvt) Ltd	Catering services supply	(2 403 229 307)	-	745 592 066
Lobels Holdings (Pvt) Ltd	Sale of goods	2 942 565 849	716 933 908	-
MC Meats (Pvt) Ltd	Sale of goods	158 785 588	82 481 958	-
Takura Management Services (Pvt) Ltd	Management fees	(5 664 297 895)	-	53 544 111 107
		(5 766 541 041)	**1 618 897 151**	**55 674 105 054**
2023				
Cairns Foods Ltd	Sale of goods	937 848 941	11 728 656	-
Intro-wise Catering (Pvt) Ltd	Catering services supply	19 327 163	-	45 703 591
Lobels Holdings (Pvt) Ltd	Sale of goods	589 008 015	8 952 061	-
MC Meats (Pvt) Ltd	Sale of goods	61 809 928	12 474 175	-
Takura Management Services (Pvt) Ltd	Management fees	(637 007 060)	-	1 619 268 780
Talwant Trading (Pvt) Ltd t/a Food Lover's Market Zimbabwe	Sale of goods	13 074 977	-	-
		984 061 964	**33 154 892**	**1 664 972 371**

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

25 RELATED PARTY TRANSACTIONS (CONTINUED)

25.4 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 COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Short term employee benefits	32 650 456 490	20 676 897 654	5 433 812 029	576 564 182
Post employment pension and medical benefits	484 761 717	1 505 314 483	749 910 504	47 536 517
	37 135 218 207	**22 182 212 137**	**6 183 722 533**	**624 100 699**

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

Group pension scheme - Defined contribution plan	10 017 485 036	-	1 574 411 881	-
National Social Security- Defined contribution plan	2 653 849 808	8 347 371 076	366 444 275	252 062 312
	12 671 334 844	8 347 371 076	1 940 856 156	252 062 312

25.6 Amounts due from related parties

Starafrica Operations (Pvt) Ltd ("SAO")

Opening balance	19 865 418 406	36 049 197 513	615 352 704	400 293 915
SAO working capital funding	50 992 201 810	15 692 941 065	5 096 555 477	302 972 284
Tax and other administration paid by SAO	-	(4 553 622 125)	-	(87 913 495)
Effects of inflation	(64 451 073 035)	(28 017 737 047)	-	-
Closing balance	**5 711 908 181**	**19 170 779 406**	**5 711 908 181**	**615 352 704**

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

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

26 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has trade and other receivables and cash which arise direct from its operations.

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

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

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

26.1 Market risk

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

The Group has a bank overdraft facility that bears interest on the utilsed balance . As a result, there is no risk as there is no volatility of this interest rate. The Group does not have any other fixed term interest bearing liabilities.

The foreign currency risk is presented below.

26.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. The exposure is managed through continuously seeking for foreign currency to pay outstanding balances and commitments. Because of investments in Botswana, the Group's statement of financial position can be affected significantly by movements in the ZWL/BWP exchange rates respectively.

The Group has a 33.33% (2023: 33.33%) investment in Tongaat Hulett Botswana (Proprietary) Limited whose primary trading currency is the Botswana Pula ("BWP"). The value of the Group's share in net assets is susceptible to changes in the exchange rates between the BWP and the ZWL, which is the Group's reporting currency. The changes are reported under other comprehensive income (OCI) and non-current assets.

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

26.2 Foreign currency risk (continued)

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 2 271.9% from 31 March 2023 when the Reserve Bank of Zimbabwe ("RBZ") foreign exchange auction rate was at ZWL 929.8618 to the RBZ foreign exchange auction rate of ZWL 22 055.4738 to the US$ at 31 March 2024. The exchange rate as shown in the below table show a fluctuating rate of currency depreciation quarterly during the year.

DATE	EXCHANGE RATE ZWL/US$1	EXCHANGE RATE ZWL/US$1	DATE	EXCHANGE RATE ZWL/BWP1	CURRENCY DEPRECIATION
31-MAR-23	929.8618	-	31-MAR-23	71.3309	-
30-JUN-23	5,739.7961	517%	30-JUN-23	425.6313	497%
30-SEP-23	5,466.7466	-5%	30-SEP-23	396.3391	-7%
31-DEC-23	6,104.7226	12%	31-DEC-23	455.5077	15%
31-MAR-24	22,055.4738	261%	31-MAR-24	1,610.4188	254%

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

3. Foreign denominated monetary assets and liabilities balances as at 31 March 2024 were taken and translated at the closing rate of ZWL1 610.4188:BWP1 and ZWL22 055.4738:US$1 for the foreign investments and foreign currency denominated assets and liabilities, respectively.

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

Assumptions

- The foreign investment will continue being held in the next financial year ending 31 March 2025
- The foreign based assets and liabilities will be outstanding in the financial year ending 31 March 2025
- 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

26.2.1 ZWL against BWP

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

	2024 BWP	2023 BWP
Investment in Associate	**22 532 104**	**18 629 000**

YEAR	INVESTMENT IN ASSOCIATE	CHANGE IN BWP RATE	EFFECT ON OCI ZWL	EFFECT ON OCI ZWL
2024	BWP 22 532 104	+100%	36 286 123 885	36 286 123 885
2024	BWP 22 532 104	+50%	18 143 061 943	18 143 061 943

YEAR	INVESTMENT IN ASSOCIATE	CHANGE IN BWP RATE	EFFECT ON OCI ZWL	EFFECT ON OCI ZWL
2023	BWP 18 629 000	+100%	5 981 243 711	5 981 243 711
2023	BWP 18 629 000	+50%	2 990 621 840	2 990 621 840

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

26.2.2 ZWL against USD

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

	2024 USD	2023 USD
Cash and bank balance	42 072	212 336
Receivables	1 726 575	1 236 324
Loans and borrowings	(5 886 939)	(5 084 949)
Total	**(4 118 292)**	**(3 636 289)**

YEAR	US$ DENOMINATED ASSETS AND LIABILITIES	CHANGE IN US$ RATE	EFFECT ON PROFIT OR LOSS ZWL	EFFECT ON CURRENT ASSETS ZWL
2024	-US$ 4 118 292	+100%	(90 830 876 455)	(90 830 876 455)
2024	-US$ 4 118 292	+50%	(45 415 438 227)	(45 415 438 227)

YEAR	US$ DENOMINATED ASSETS AND LIABILITIES	CHANGE IN US$ RATE	EFFECT ON PROFIT OR LOSS ZWL	EFFECT ON CURRENT ASSETS ZWL
2023	-US$ 3 636 289	+100%	2 800 867 775	2 800 867 775
2023	-US$ 3 636 289	+50%	1 400 433 888	1 400 433 888

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

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Total net foreign exchange losses recognised in profit before income tax for the period	(509 574 534 742)	(57 993 129 289)	(155 127 057 940)	(1 862 774 394)

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

26.3 Liquidity Risk

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Less than 4 months ZWL	Total ZWL	Less than 4 months ZWL	Total ZWL
2024				
Bank overdraft	(46 610 033 721)	(46 610 033 721)	(46 610 033 721)	(46 610 033 721)
Short-term borrowings	(759 002)	(759 002)	(759 002)	(759 002)
Trade and other payables	(235 435 931 051)	(235 435 931 051)	(235 435 931 051)	(235 435 931 051)
Trade and other receivables	38 209 762 254	38 209 762 254	38 209 762 254	38 209 762 254
Cash and cash equivalents	3 236 444 701	3 236 444 701	3 236 444 701	3 236 444 701
	(240 600 516 819)	**(240 600 516 819)**	**(240 600 516 819)**	**(240 600 516 819)**
2023				
Bank overdraft	(28 072 198 581)	(28 072 198 581)	(912 369 472)	(912 369 472)
Short-term borrowings	(23 353 312)	(23 353 312)	(759 002)	(759 002)
Trade and other payables	(261 362 596 518)	(261 362 596 518)	(8 488 567 447)	(8 488 567 447)
Trade and other receivables	81 541 171 460	81 541 171 460	2 650 154 934	2 650 154 934
Cash and cash equivalents	25 478 033 969	25 478 033 969	828 056 995	828 056 995
	(182 438 942 982)	**(182 438 942 982)**	**(5 923 483 992)**	**(5 923 483 992)**

Working capital management

The Group held ZWL296 231 328 716 worth of inventory as at 31 March 2024. This inventory is fast moving with an inventory turnover rate of just 45.20 days for the year ended 31 March 2024. If an assumption is made that all this inventory is sold to debtors, the debtor collection period for the year ended 31 March 2024 was 11.86 days. This translates to a total inventory-to-cash transformation period of 57.07 days. This, therefore, adds an additional ZWL332 112 077 748 of liquid assets to the Group's balance sheet within the first two months of the ensuing period after 31 March 2024. This additional liquidity ensures that the business is able to settle its daily working capital requirements as and when they fall due.

26.4 Credit Risk

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

26.4 Credit Risk (continued)

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.

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 16.

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 Group's provisioning matrix for financial years 2024 and 2023;

INFLATION ADJUSTED

31 MARCH 2024	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWL)	15 666 656 465	14 640 897 428	6 659 103 823	385 482 083	1 834 878 082	39 187 017 881
EXPECTED CREDIT LOSS RATE (%)	2.14%	8.56%	33.81%	79.50%	100%	
EXPECTED CREDIT LOSS (ZWL)	334 948 152	1 253 796 487	2 251 766 206	306 470 606	1 834 878 081	5 981 859 532

31 MARCH 2023	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWL)	16 208 470 667	42 039 970 611	1 177 909 574	2 461 470 452	710 263 742	62 598 085 046
EXPECTED CREDIT LOSS RATE (%)	0.02%	2%	86%	100%	100%	
EXPECTED CREDIT LOSS (ZWL)	2 968 294	1 017 100 154	1 012 434 795	2 461 470 452	775 052 784	5 269 026 479

HISTORICAL COST

31 MARCH 2024	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWL)	15 666 656 465	14 640 897 428	6 659 103 823	385 482 083	1 834 878 082	39 187 017 881
EXPECTED CREDIT LOSS RATE (%)	2%	9%	34%	80%	100%	
EXPECTED CREDIT LOSS (ZWL)	334 948 152	1 253 796 487	2 251 766 206	306 470 606	1 834 878 081	5 981 859 532

31 MARCH 2023	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWL)	526 788 587	1 366 333 516	38 283 027	79 999 808	23 084 154	2 034 489 092
EXPECTED CREDIT LOSS RATE (%)	0.02%	2%	86%	100%	100%	
EXPECTED CREDIT LOSS (ZWL)	96 472	33 056 589	32 904 961	79 999 808	25 189 850	171 247 680

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

26 FINANCIAL RISK MANAGEMENT (CONTINUED)

26.5 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 had, at 31 March 2024, an outstanding overdraft with applicable base interest rate of 7% per annum. Interest accrues at the USD base interest rate plus a margin of 1% per annum (effective interest rate of 8% per annum), which bring exposure to interest risk. In the 2023 financial year, the Group had outstanding overdraft with applicable base interest rate of 7% per annum.

26.6 Capital Management

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

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

No changes were made in the objectives, policies or processes during the year ended 31 March 2024.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	**2023 ZWL**	**2024 ZWL**	**2023 ZWL**
Borrowings-short term (Note 19.2)	759 002	23 353 312	759 002	759 002
Bank overdraft	46 610 033 721	28 072 198 581	46 610 033 721	912 369 472
Net debt	**46 610 792 723**	**28 095 551 893**	**46 610 792 723**	**913 128 474**
Equity	536 364 525 952	388 799 473 586	245 248 730 747	11 264 584 813
Capital and net debt	**582 975 318 675**	**416 895 025 479**	**291 859 523 470**	**12 177 713 287**
Gearing ratio	8%	7%	16%	7%

26.7 Fair values of financial instruments

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

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

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

27 GOING CONCERN

The Group's revenue has increased from ZWL1.53 trillion recorded last year to ZWL1.89 trillion in the current year largely due to improved average selling prices to counter higher increases in raw materials and other overhead costs. Volumes sold declined to 55,799 tonnes from 82,321 tonnes achieved in the prior year, primarily attributable to a 3-month unplanned plant stoppage on account of raw sugar supply issues, which have since been resolved. Resultantly, the Group incurred an operating loss of ZWL679.17 billion against an operating profit of ZWL12.72 billion earned in the prior year.

The Group has grown the net asset position to ZWL 536 billion, up from ZWL 389 billion in 2023. The growth in net assets is on the back of revaluations on Property Plant and Equipment, as well as its Investment Property Portfolio. ZWL9.41 billion was spent on capital expenditure, as the Group continues on the retooling and plant refurbishment roadmap. Management is confident that the business will achieve the budgeted throughput of 70,000 tonnes for the 2025 financial year.

Following the repealing of Statutory Instrument (SI) 80 of 2023 - Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 267) whereby white sugar was removed from the general import permit, the Group forecasts strong demand for its products, as some of the customers that had migrated to imports are expected to resume local procurement. This is amply supported by the Group retaining and renewing key certifications that include that of The Coca Cola Company ("TCCC"), DQS and ISO:9001 Certifications, as well as the Food Safety certification under the FSSC 22000 series that are key to the Group in order to continue supplying products to the local market. The Group has maintained cordial relationships with its key customers in satisfying their white sugar requirements and anticipates that it will remain a crucial key partner to their operations in the foreseeable future.

The Group entered into a long-term supply contract with its main supplier of raw sugar, therefore, it expects consistent and stable supply in the foreseeable future. In turn, the local sugar industry anticipates annual production to surpass 400,000 tonnes, which guarantees the Group of supply.The El-niño induced drought will have a muted impact on raw sugar supply. SI 92 of 2024 changed the Value Addes Tax ("VAT") status of white sugar from Standard-rate to Exempt. This has had the impact of increasing the Group's production costs, as it can no longer claim VAT input. Despite the increase in production costs, the Group forecasts generating positive operating cash flow in its budget for the 2025 financial year enabled by cost rationalisation, as well as enhanced plant efficiencies that will be achieved from the ongoing plant refurbishment programme.

The Group continues to engage the regulators on legislative changes that have significant impact on the viability of the business.

Furthermore, the business has continued to receive support from its bankers through overdraft and other short-term facilities that are critical to addressing intermittent working capital challenges. The Group has also received financial support from its major shareholder, which support has gone a long way in ensuring that the business remains a going concern. The Group continues discussions with financials institutions to unlock additional liquidity leveraging on its Investment Property portfolio.

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.

Notes to the Group and Company Financial Statements

For The Year Ended 31 March 2024

28 EVENTS AFTER REPORTING DATE

Change in currency

On 5 April 2024, the President of Zimbabwe introduced Statutory Instrument (SI) 60 of 2024, titled "Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, 2024". SI 60 of 2024 was formulated to address economic interests in the country.

The need to introduce a domestic currency backed by foreign exchange reserves, precious metals, and valuable minerals led to the issuance of these regulations, in order to bring stability of the exchange rate and commodity prices.

The new currency introduced is called "Zimbabwe Gold" (ZWG). ZWG notes and coins are deemed to be prescribed by section 44D of the Reserve Bank of Zimbabwe Act. The regulations also specify the design, form, and color of ZWG notes.

Existing Zimbabwe dollar balances were converted into ZWG balances at a spot rate of ZWG 1: ZW$2 498.7242, obtained from a combination of the prevailing interbank exchange rate of US$1: ZW$33 903.9916 and gold price of US$2 293.50 as at 5 April 2024. This gave an implied exchange rate of ZWG13.56 per US$1. The effective date of SI 60 of 2024 legalised ZWG as the official unit of account for transactions previously denominated in Zimbabwe dollars.

The Company has determined that these events are non-adjusting subsequent events. Accordingly, the financial positions and the results of operations as of and for the year ended 31 March 2024 have not been adjusted to reflect their impact.

Value Added Tax on white sugar

In January 2024, Statutory Instrument (SI) 15 of 2024, titled Value Added Tax (General) (Amendment) Regulations, 2024 (No. 67) was introduced which exempted Value Added Tax on the supply of basic commodities. The SI 15 of 2024 did not include the commodity code for white sugar on exempted commodities. Subsequent to year end, on 10 May 2024, SI 92 of 2024 titled Value Added Tax (General) (Amendment) Regulations, 2024 (No. 68) was introduced amending Part I of the First Schedule of SI 273 of 2003 by the insertion of commodity code 1701.99.00 (white sugar) after commodity code 1701.14.00, with effect from 1 January 2024. The Company has determined that these events are adjusting subsequent events. Accordingly, the financial positions and the results of operations as of and for the year ended 31 March 2024 have been adjusted to reflect their impact.

For the Investor

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Top 30 Shareholders

	SHAREHOLDERS ANALYSIS Consolidated top 30 as at 31 March 2024	SHARES	% OF SHARES
1	INVESTORS IN AFRICA-TAKURA VEN	2,070,213,631	43.05
2	NSSA - NATIONAL PENSION SCHEME	1,491,505,021	31.02
3	TAKURA III (PRIVATE) LIMITED	690,071,211	14.35
4	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	55,676,501	1.16
5	MORGAN AND CO MIZ ETF ACC	39,087,700	0.81
6	STANBIC NOMINEES (PRIVATE) LIMITED	31,829,376	0.66
7	ZSR INVESTMENTS (UK) LIMITED	26,012,200	0.54
8	CORPSERVE NOMINEES PVT LTD	18,070,032	0.38
9	SOUTHERN TRUST SECURITIES (PVT) LTD	18,013,700	0.37
10	HOMEGUARD SERVICES (PVT) LTD,	16,884,824	0.35
11	MASAWI, ROSIAN TENDAI	15,819,985	0.33
12	SHAURAI INVESTMENTS	15,290,200	0.32
13	MOYO, NEPSON	15,000,000	0.31
14	THE ROY TURNER TRUST	13,415,100	0.28
15	GLOWSURGE ENTERPRISES,	13,060,900	0.27
16	OLD MUTUAL ZIMBABWE LIMITED	12,782,940	0.27
17	GODFREY MUTSEYEKWA FAMILY TRST	12,621,800	0.26
18	COLOSSUS INVESTMENTS (PVT) LTD	11,575,250	0.24
19	COAL BRICK MINE (PVT) LTD,	10,583,995	0.22
20	ZB LIFE ASSURANCE LIMITED	9,232,152	0.19
21	MINING INDUSTRY PENSION FUND	7,569,274	0.16
22	TSL LIMITED ,	5,869,823	0.12
23	PUBLIC SERVICE PF - PLATINUM	5,512,700	0.11
24	WORLDOVER CAPITAL LTD	5,086,040	0.11
25	FAENSA FRISCO LIMITED - NNR	4,882,277	0.10
26	NAIK, SHIRLEY BRIDGET	4,845,546	0.10
27	KATSIDZIRA, LEOLIN	4,833,203	0.10
28	LYNATECH MARKETING (PVT) LTD,	4,607,213	0.10
29	CHABUDAPASI ZVINOERA	4,515,100	0.09
30	DANCHEN INVESTMENTS (PVT) LTD	4,085,518	0.08
	Total	**4,638,553,212**	**96.46**
	Other Shareholders	**170,109,123**	**3.54**
	Total Number of Shares	**4,808,662,335**	**100.00**

Notice To Shareholders

Notice is hereby given that the 90th Annual General Meeting of starafricacorporation limited will be held as a virtual meeting via Microsoft Teams on 26 September 2024 at 11 a.m for the purposes listed hereunder. Shareholders will be asked to connect and attend the meeting via the link: **https://polling.fts-net.com/**

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

2. Financial Statements
To receive and approve the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2024.

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. E. Chiremba retire by rotation and, being eligible, offer themselves for re-election.

3.2 The following directors were appointed to the Board as follows;

Ms. O. Kava, on 1 June 2024
Ms. Kava holds a Master's Degree in Business Administration, Bachelor of Business Administration Degree and several Diplomas in various fields. Ms. Kava is currently serving as the Board Chairperson for Management Training Bureau and is a past Vice President of the Zimbabwe Institute of Public Relations.

Ms. S. N. Njerere, on 1 June 2024
Ms. Njerere holds a Bachelor of Arts degree in Law and Political Philosophy and a Bachelor of Laws degree from the University of Cape Town. She is currently serving as a Board Member of South Feminist Futures.

Dr. M. Sibanda, on 8 July 2024
Dr. Sibanda 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.

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 resignation, through retirement of Mr. Robson Nyabadza from the position of Chief Executive Officer of the Group effective 31 March 2024 and the stepping down of Mr. Formai Myambuki as the Acting Chief Executive Officer effective 7 July 2024.

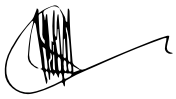
5. Directors' Remuneration
To approve fees accrued to directors for the year ended 31 March 2024.

6. Auditors

6.1 To approve the remuneration of the independent auditors for the year ended 31 March 2024.

6.2 To re-appoint Messrs. Grant Thornton as independent auditors of the Company for the ensuing year. Grant Thorton, who have been the company's independent auditors for one year, have indicated their willingness to continue as independent auditors for the ensuing year..

By Order Of The Board



Mr. D. Maworera
COMPANY SECRETARY

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

6 September 2024

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

Form Of Proxy

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

..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held virtually via Microsoft Teams on Thursday 26 September 2024 at 11:00 hours and at any adjournment thereof.

Signed this ..... day of 2024

Signature

Notes

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

Notes



starafricacorporation
limited