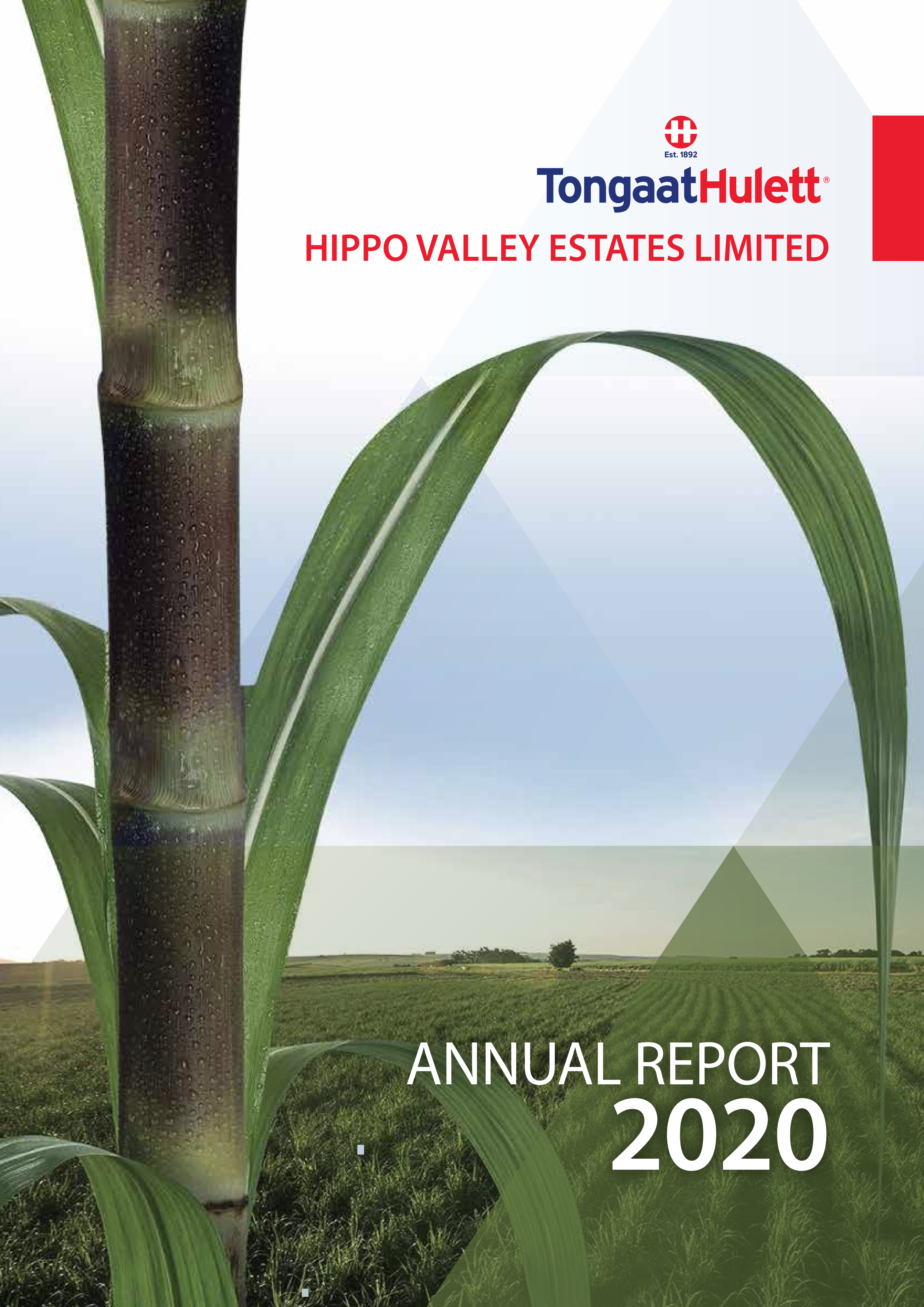
TongaatHulett®

Est. 1892

HIPPO VALLEY ESTATES LIMITED



ANNUAL REPORT 2020

Contents

Note: Unless otherwise stated, all financial amounts are expressed in Zimbabwean dollar (ZWL).

Directorate, Management and Administration

Directorate

		Board attendance (9 meetings)	Audit Committee attendance (4 meetings)	Remunerations and Nominations Committee attendance (1 meeting)
D L Marokane^	Non-executive Chairman	9	-	1
R D Aitken* (appointed on 01.02.19)	Non-executive Director	8	2	-
S Harvey^(appointed on 29.07.19)	Non-executive Director	7	-	1
A Mhere (appointed on 01.12.19)	Chief Executive Officer	7	-	-
L R Bruce*	Independent Non-executive Director	6	2	-
O H Manasah (appointed on 01.05.20)	Finance Director	-	-	-
N Kudenga*	Independent Non-executive Director	9	4	-
J P Maposa^	Independent Non-executive Director	7	-	1
C F Dube (appointed 01.08.20)	Independent Non-executive Director	-	-	-
R J Moyo (appointed 01.08.20)	Independent Non-executive Director	-	-	-
G Sweto (appointed 01.08.20)	Independent Non-executive Director	-	-	-
J G Hudson (appointed 01.08.20)	Non-executive Director	-	-	-
J E Chibwe (resigned on 12.02.20)	Finance Director	-	-	-
G Nhari (resigned on 12.02.20)	Non-executive Director	-	-	-

* Member of the Audit Committee
^ Member of the Remunerations and Nominations Committee

Management and Administration

Senior Management

General Manager - Agriculture Operations	T Mudambanuki
General Manager - Manufacturing Operations	A Mugadhi
General Manager - Industry Affairs and Business Dev.	U Chinhuru
Human Resources Director and Company Secretary	T F Makoni
Supply Chain Executive	W Jemwa
Corporate Affairs Executive	A Chikunguru
Technical Executive	C A S Kubara
Corporate Medical Officer	T A Mukwewa (Dr)
SHE Manager	C Mhoshiwa

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Transfer Secretaries
First Transfer Secretaries (Private) Limited
1 Armagh Road
Eastlea
Harare

Independent Auditors
Deloitte & Touche
West Block, Borrowdale Office Park,
Harare

Bankers
Stanbic Bank Zimbabwe Limited
First Capital Bank Zimbabwe Limited
African Banking Corporation of Zimbabwe Limited (BancABC)
CBZ Bank Limited
Central Africa Building Society (CABS)
Standard Chartered Bank Zimbabwe Limited

Legal Practitioners
Scanlen and Holderness
CABS Centre
74 Jason Moyo Avenue
Harare

Estate and Registered Office
Hippo Valley Estates
P O Box 1
Chiredzi

Consolidated Financial Summary

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Revenue	3 672 042	2 522 540	1 682 340	244 890
Operating profit	1 562 219	906 767	1 573 521	113 612
Profit before tax	1 151 992	762 399	1 583 441	108 491
Profit for the year	758 405	551 045	1 178 287	73 776
Adjusted EBITDA*	1 229 283	366 637	474 062	32 140
Net cash generated from operations	622 212	370 526	235 919	17 924
Net cash inflow from operating activities	378 390	279 633	176 675	7 341
Capital expenditure	46 648	109 601	27 079	9 818
Net asset value	3 108 993	2 385 633	1 682 714	233 361
Market capitalization at year end	1 038 541	2 262 201	1 038 541	291 461
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	393	286	610	38
Net asset value per share	1 611	1 236	872	121
Price per share at year end	538	1 172	538	151

*Adjusted EBITDA is operating profit adjusted to exclude depreciation, amortisation, any impairment (or reversal thereof) and fair value adjustments relating to biological assets.

Statistical Summary

The following statistical summary reflects the Group's operational performance for the past 5 years:

	2015/16	2016/17	2017/18	2018/19	2019/20
Total sugar production for the season (tons)	203 865	228 683	197 217	238 965	212 004
Molasses production (tons)	59 703	64 673	51 024	64 390	60 873
Total industry sugar sales (tons)	**414 000**	**419 000**	**407 000**	**483 000**	**413 000**
Local market	316 000	301 000	349 000	371 000	324 000
Export market	98 000	118 000	58 000	112 000	89 000
Hippo Valley Estates Sharing Ratio	49.46%	50.39%	50.31%	52.67%	48.03%
Sugar cane					
Area under cane at year end (hectares)					
Hippo Valley Estates	12 272	12 603	12 708	10 941	10 590
Private farmers	9 800	9 483	10 023	10 907	11 747
	22 072	**22 086**	**22 731**	**21 848**	**22 337**
Area harvested for milling during the year (hectares)					
Hippo Valley Estates	11 737	12 137	11 222	9 806	9 440
Private farmers	9 414	9 613	9 345	11 045	10,581
	21 151	**21 750**	**20 567**	**20 851**	**20 021**
Sugar cane harvested for milling (tons)					
Hippo Valley Estates	1 028 879	1 028 973	875 305	1 068 164	1 008 870
Private farmers	631 099	700 730	659 100	730 039	687 472
Diversions from Triangle and Green fuel	-	-	-	63 829	-
Total cane milled at Hippo Valley Estates	**1 659 978**	**1 729 703**	**1 534 405**	**1 862 032**	**1 696 342**
Sugar cane yield per hectare (tons)					
Hippo Valley Estates	87.70	84.78	78.00	108.93	106.87
Private farmers	67.00	72.90	70.60	67.80	69.00
Mill performance					
Season started	22-Apr-15	17-May-16	30-May-17	08-May-18	07-May-19
Season completed	26-Nov-15	24-Dec-16	16-Dec-17	29-Dec-18	18-Dec-19
Number of crushing days	218	221	200	235	225
Throughput –tons cane per hour	339.30	348.92	336.14	419.22	335.76
Extraction (%)	97.08	96.96	97.06	96.49	96.84
Boiling house recovery (%)	90.40	89.91	90.85	90.48	90.40
Overall recovery (%)	87.76	87.18	88.18	87.30	87.54

SALIENT FEATURES (INFLATION ADJUSTED)

- Sugar production of 212 004 tons (2019: 238 965 tons) -11%
- Sugar sales of 413 000 tons (2019: 483 000 tons) -14%
- Revenue of ZWL3,7 billion (2019: ZWL2,5 billion) +48%
- Operating profit of ZWL1,6 billion (2019: ZWL0,9 billion) +77%
- Adjusted EBITDA* of ZWL1,2 billion(2019: ZWL0,4 billion) +200%
- Profit for the period of ZWL0,8 billion (2019: ZWL0,6 billion) +33%

*Adjusted EBITDA is operating profit adjusted to exclude depreciation, amortisation, any impairment (or reversal thereof) and fair value adjustments relating to biological assets.

COMMENTARY

Introduction

Results for the year ended 31 March 2020 were achieved in a challenging economic environment following the re-introduction of the local currency in February 2019, the abandonment of the multi-currency system in June 2019 and its subsequent return in March 2020 as part of economic measures to combat the COVID-19 pandemic. Zimbabwe's inflation accelerated substantially to 676% by March 2020 (2019: 67%) as the local currency continued to devalue against the major currencies. Accordingly, the Public Accountants and Auditors Board (PAAB) pronounced Zimbabwe a hyperinflationary economy, effective for reporting periods ended on or after 1 July 2019. The requirements of IAS 29 Financial Reporting in Hyperinflationary Economies ("IAS 29") have therefore been applied to the financial results for the year ended 31 March 2020.

Operations

A total of 1 696 000 tons (2019: 1 862 000 tons) of cane was crushed during the season, of which 1 009 000 tons (2019: 1 068 000 tons) was Company cane and 687 000 tons (2019: 794 000 tons) was delivered by private farmers and other third parties . A total of 212 000 tons sugar was produced (2019: 239 000 tons) by the Company contributing 48% (2019: 53%) to total industry sugar production. The production decrease of 11% from the last season was due to a decrease in both the volume and quality of cane resulting in a cane to sugar ratio of 8.0 (2019:7.8). While the high incidence of Yellow Sugarcane Aphids (YSA) experienced in the region negatively impacted cane quality, robust crop management practices to contain the pest are being successfully implemented. Cane plough out and replanting programmes aimed at restoring cane yields to optimal levels continued during the year with some 690 hectares (2019: 1 670 hectares) having been replanted.

Marketing

Total industry sales in the local market decreased by 13% to 324 000 tons (2019: 371 000 tons) as a result of a decline in demand due to erosion of disposable incomes. Timely adjustments of local sugar prices in line with inflation have been successful in maintaining margins, minimizing speculative trading and illegal exports to neighbouring countries, practices historically common in hyperinflationary environments. Due to infrastructural damage and other logistical challenges occasioned by Cyclone Idai which impacted exports via Beira, industry export volumes decreased to 89 000 tons compared to 112 000 tons exported in prior year, representing 22% of total sales volumes (2019: 23%). Prices on both regional and international export markets were on average 17% higher than prices achieved in prior year.

Financial Results

The financial results of the Group have been inflation adjusted in compliance with the requirements of IAS 29 and the historical numbers have been disclosed as supplementary information. Users are however cautioned that in hyperinflationary environments certain inherent economic distortions may influence the out turn of financial results.

Total revenue for the year amounted to ZWL3,7 billion (2019: ZWL2,5 billion), an increase of 48% despite a 14% decrease in sales volumes. This was due mainly to the the industry successfully optimizing the market mix in the local market and better realisations from export markets. As a result profitability improved by 200% and 77% at adjusted EBITDA and operating profit levels respectively.

Net operating cash flow after interest, tax and working capital changes increased to ZWL378 million (2019: ZWL280 million) despite higher tax payments during the period under review. Capital expenditure totalled ZWL47 million (2019: ZWL110 million) of which ZWL40 million (2019: ZWL55 million) was spent on root replanting. At 31 March 2020, the Company had cash on hand of ZWL119 million compared to ZWL151 million for the previous year. However, a closing net cash position at 31 March 2020 of ZWL99 million (2019: net debt position of ZWL288 million) was achieved, indicating a significant reduction in debt during the period under review.

The effective tax rate on the inflation adjusted accounts was 34.17% (2019: 27.72%), impacted by the net monetary loss of ZWL434 million (2019: ZWL74 million) that was treated as a permanent difference for income tax purposes.

Dividend

In view of the Company's positive financial performance the Directors have declared an interim dividend of ZWL36 cents per share for the year ended 31 March 2020 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full to all Shareholders of the Company registered at the close of business on 26 June 2020. No final dividend has been declared for the year ended 31 March 2020.

Outlook

For the second successive year the country has experienced a poor rainfall season resulting in minimal inflows into the sugar industry's water supply dams, presenting a key risk to the industry. While there is sufficient irrigation water for the period leading to the next rain season, the industry has implemented water conservation initiatives including reduced water application rates to levels that are not a deterrent to normal crop growth.

Sugar cane yields on Company owned land are forecast to improve, benefiting from prior years' accelerated replanting program. In addition to the Company's on-going inputs and extension support to private farmers, closer partnerships are being offered to low yielding farmers in order to improve productivity on their farms.

Work on the 4 000 hectares out grower cane development project in partnership with Government and local banks (Project Kilimanjaro) is on-going with a total of 2 700 hectares of virgin land having been cleared and ripped, 400 hectares of which have been planted to sugarcane. Work on the project is being slowed down by delays in obtaining adequate funding from financial institutions due to the prevailing adverse economic environment. Alternative funding structures for the project are under consideration which will result in the project being progressed on a phased approach. On completion, Project Kilimanjaro will contribute significantly to the industry target of full utilization of installed milling capacity of 600 000 tons sugar by 2023/24, positioning the country to be one of the most competitive sugar producers in the region and globally.

Total industry sugar production for the 2020/21 financial year is forecast to be between 440 000 and 455 000 tons of sugar with approximately 35% being sold into the export market. The Company's share of industry sugar production is forecast to be 50%

Monetary policy uncertainty continues to perpetuate the economic ills of reduced disposable incomes, foreign currency shortages, high interest rates, distorted exchange rates and a hyperinflationary local currency. Demand for sugar, being a staple commodity will continue to be stable. Sugar pricing strategies will therefore be aimed at balancing value preservation for the Company, consumer affordability and discouraging arbitrage opportunities. Strategies to ensure consistent supply of regional export markets including the execution of an efficient logistical strategy will be pivotal to the industry achieving targeted foreign currency earnings.

Business interruption as a result of the current COVID-19 pandemic will further weaken the economy. However, with the sugar milling season having begun on schedule, sugar production is unlikely to be impacted by the Covid-19 pandemic. The potential impact on the sugar industry and the Company will continue to be closely monitored. The industry is alert to potential export opportunities into Europe as global economies seek to recover from the pandemic. The Board issued a detailed trading update on Covid-19 on the 26th of May 2020 wherein the development and implementation of a robust Business Continuity Plan (BCP) to mitigate the negative impact of the pandemic is clearly outlined.

The Company remains optimistic that notwithstanding the COVID-19 pandemic and the current economic challenges, the Zimbabwe sugar industry is well positioned to be one of the most competitive in the region by 2023 off the back of increased production and operating efficiencies.

By Order of the Board

D L Marokane	**A Mhere**
Chairman	Chief Executive Officer

29 June 2020

Sustainability Report

This report provides an overview of sustainability matters and initiatives within the Tongaat Hulett operations in Zimbabwe, of which Hippo Valley Estates Limited (the Company) is part. (Hereafter referred to as Tongaat Hulett Zimbabwe).

COVID-19 Sustainability

The global pandemic of coronavirus disease 2019 (COVID-19) was first reported on 31 December 2019 by the World Health Organization country office following a cluster of pneumonia cases in Wuhan City, Hubei Province of China. Severe acute respiratory syndrome coronavirus 2 (SARS-CoV-2) has been confirmed as the causative virus of COVID-19. COVID-19 is highly contagious and is spread through person to person contact and contact with contaminated surfaces in both public and private places. It is for this reason that regional and global efforts to contain the spread of COVID-19 have focused on means to prevent spread which include social distrancing, hand hygiene, cough etiquette and wearing of masks when in public.

To date, COVID-19 has affected human lives globally, has become a global pandemic and is continuing to spread across the globe. This is in spite of the implementation of unprecedented community lockdowns, hygiene promotion and social distancing measures.

The COVID-19 pandemic has threatened the viability of many industries worldwide and the Sugar Industry in Zimbabwe has not been spared. Business Continuity Plans were put in place to ensure that the Company addresses the immediate challenges to the business during the national and regional lockdowns and the economic knock on effects. In Zimbabwe, the Sugar Industry was identified as an essential service and unlike many other local industries continued operations during the lockdown. To do this safely, the Company had to change many work practices, reduced exposure by trimming the workforce remaining physically at work, as well as ensuring safe working conditions for employees that must continue at work during this period.

Thermal testing conducted on employees

These safety measures included among others:

- Awareness and education training,
- Implementing safe work practice and rapid COVID response protocols,
- Point of entry screening,
- Promoting social distancing and hygiene,
- Sanitising or thoroughly washing hands with soap and running water,
- Provision of medical or fabric masks as appropriate,
- Installation of physical screens and use of face shields where social distancing is difficult.

Screens installed to separate packers. The use of face masks is still being adhered with in addition to separation of work stations

There was also a massive effort to rapidly add capacity to the healthcare system in preparation for the pandemic. This was focused on adding acute-care capacity, building stocks of drugs and other critical medical supplies, such as personal protective equipment.

Hospital staff checking preparedness – use of PPE

Tongaat Hulett also joined hands with the nation and proved itself to be a partner of choice for the Government of Zimbabwe. In a bold move and in line with its emergency response protocols, Tongaat Hulett Zimbabwe set aside some ZWL20 million in April 2020 to capacitate eight isolation centres in Masvingo Province as well as provide 300 000 litres of ethanol towards the COVID-19 response. Two of Tongaat Hulett employees are assisting in Government fundraising initiatives towards COVID-19 in Masvingo Province.

Presenting the THZ donation of 300 000 litres of ethanol to the Resident Minister

Tongaat Hulett Zimbabwe initial donations towards the COVID 19 pandemic were as follows:

Priority/Donation Category	Qty	Value US$	Value ZWL (US$1:ZWL25)
99.9% denatured ethanol/alcohol being a donation to Central Government to improve sanitation and hygiene at public health institutions and vulnerable communities nationwide – provision of bulk and hand sanitizers	300 000 L	335 771	8 394 275
Surgical masks, gloves and temperature guns for distribution to the Province's 7 district hospitals and key entry points - Buffalo Range International Airport and Sango Border Post	Various items	52 600	1 315 000
Upgrading and equipping 5 of the 8 selected COVID-19 isolation centres in Masvingo Province	Various items	231 629	5 790 725
Chiredzi Hospital - improvement of water and sanitation systems, purchase of appropriate PPE for medical staff, beds, training and related costs	Various	200 000	5 000 000
TOTAL TONGAAT HULETT DONATION		**820 000**	**20 500 000**

ENVIRONMENTAL MANAGEMENT

Waste Management

In 2019/20, Tongaat Hulett operations in Zimbabwe generated a total of 3 119 tonnes of waste material, excluding boiler ash (2018/19 ; 10 011 tonnes). Of this total, about 22% was recycled or re-used. Three recycling companies were contracted to salvage recyclable waste material in domestic waste disposal sites to increase the total amount of waste that is recycled and thus reduce the amount of waste for final disposal. The plan is to increase the recyclable proportion of waste material from 22% to 30% over the 2020/21 financial year.

Recyclable material scavenged from a domestic waste disposal site

Tree planting

As part of the climate change mitigation strategy, a total of 1 298 trees were planted in and around the Estates during the 2019/20 tree planting season. All the planted trees will act as a carbon sink and thus be part of the solution to the climate change challenges.

Eradication of Invasive Alien Species

Considerable portions of land on which Tongaat Hulett Zimbabwe operates is infested with Lantana Camara and Water Hyacinth plants which have been ascribed the status of "alien and subversive" species according to the Environmental Management Act. A total of 115 hectares was cleared of Lantana Camara and 41 hectares were cleared of hyacinth over the period April 2019 to March 2020.

Clean-up at Hippo Valley Medical Centre

Clean-up campaigns

In 2018, the Government of Zimbabwe declared the first Friday of each month as National Clean-Up Day. Since then, Tongaat Hulett Zimbabwe has been participating in these national clean-up days, with all departments cleaning up various sections of their areas.

Clean-up at Chiredzi Town Centre

Soil erosion management

Tongaat Hullett Zimbabwe's farming operation is largely flood irrigated and has a massive network of drainage canals. These conditions make the area prone to soil erosion, especially along the drains. To curb soil erosion, Tongaat Hulett Zimbabwe planted vetiver grass on a total stretch of 73 229 metres along exposed irrigation drains. Vetiver grass is a good soil binder, and is popularly known as the hedge against soil erosion.

Vertiver grass planted along field drains

In addition, Buffalo grass which also has very good soil binding properties was planted along a stretch of about 9 000 metres along selected roads.

Environmental awareness

In 2019/20, a number of SHE Awareness engagement meetings focusing on both accident prevention and environmental stewardship were carried out with employees and members of the surrounding community. The campaign was extended to the farming community in and around the Estates to raise, among other subjects, the communities' awareness to dangers associated with water bodies. These awareness sessions covered all company Schools and all sugarcane farmers that supply the Mills with sugarcane.

Campaign sessions for schools focused more on raising pupils' levels of awareness to issues affecting the environment, and, also promoting tree planting and forestry protection. To buttress this campaign, an environmental essay competition was held and pupils from 8 participating schools who submitted the best essays were presented token awards.

Awareness and prize giving at Mufakose High School

Awareness and Prize giving at Mutirikwi and Chishamiso Primary Schools

WATER AFFAIRS

The Sugar Industry water reserves are in a precarious state following three successive climate change induced droughts. The water reserves in the main supply dams at 30 March 2020 were lower than at the same time last year. Although the industry has sufficient irrigation water to cover the 2020/21 season, water conservation initiatives including reduced water application rates to levels that are not a deterrent to normal crop growth have been instituted as a precautionary measure.

QUALITY ASSURANCE

Commitment to promote ethical supply chains and enhance high standards of performance of key suppliers and outsourced services was achieved through:

- Supplier workshop inductions
- Second party auditing of outsourced services including transporting companies and packaging facilities.
- Realisation of safe consumer products through Food defence and Food fraud programmes.
- Collaboration with out-growers on social and environmental accountability issues including child labour, safe applications of agrochemicals and employee workplace safety.

Initiatives to meet best practice and customer requirements:

- The company has embarked on uplifting operating facilities hygiene standards aimed at attaining certification of brown sugar to FSSC 22000 in 2020/21. Refined sugar is currently certified.
- The company continues to participate in social accountability audits by third parties and is in the process of sharing its performance with interested customers through participation in the Supplier Ethical Data Exchange (SEDEX) platform.
- Participation in the national food fortification programme continues through Vitamin A fortification of local market sugar intended for direct consumption.

PROMOTING SUSTAINABLE AGRICULTURE

In the 2019/20 season Private Farmers delivered 1 200 000 tonnes to the mills with an average yield of 66t/ha. By the end of 2023/24, a total of 2.6 million tonnes cane is expected to be delivered annually by approximately 1 070 Private Farmers on over 26 000 hectares at an average yield of over 100 tch through various interventions resulting in both vertical and horizontal production expansion. As at 30 March 2020 over 400 ha had been planted under Project Kilimanjaro, targeting 4 000 ha under sugar cane by 2021/22.

SOCIO ECONOMIC EMPOWERMENT OF LOCAL COMMUNITIES

Winter Maize Project

The winter maize project is an initiative between the Government of Zimbabwe and Tongaat Hulett Zimbabwe under the Smart Agriculture Program to cushion the province against perennial droughts in the region. Maize produced under this initiative is meant to enhance food security in the country as well as drought prone areas like Masvingo Province. The province is naturally a victim of perennial food shortages caused by recurrent droughts and very low rainfall associated with this region.

The vast water bodies in Masvingo Province make it possible for the sustainability of this programme considering the high temperatures. Masvingo is home to the largest inland dam, Tugwi-Mukosi, where there is abundant water that can be harnessed for the current and future winter maize projects. Tongaat Hulett, in partnership with Masvingo Development Trust under its Command Agriculture Programme, produced a total of 1 186 tons of maize which was distributed across all seven districts in the province to alleviate hunger in the local communities.


Winter maize harvest stacked at a local GMB depot…….


…and the official hand over

Kilimanjaro Project
Tongaat Hulett Zimbabwe is developing some 4 000 hectares of virgin land into sugarcane plantations at both Triangle and Hippo Valley Estates in Chiredzi as part of initiatives to increase sugar output while also empowering indigenous out-grower farmers. The land under this project would be planted to sugarcane and handed over to the Government for allocation to approximately 200 new farmer beneficiaries.

The project entails the immediate development of 3 362 hectares of land to sugarcane at both Hippo Valley and Triangle Estates with the objective of making a substantial impact in the lives of previously disadvantaged indigenous communities. A further 638 will also be developed once appropriate land has been identified, to bring the total project area to 4 000 hectares of sugarcane. The project is estimated to provide direct employment to about 2 000 people and significant economic empowerment opportunities for both up and downstream industries, particularly to contractors for land preparation, suppliers of key agricultural inputs, transport, housing and other services.


Newly planted field at Project Kilimanjaro.

Directors' responsibilities in relation to financial statements

In terms of the Companies and Other Business Entities Act (Chapter 24:31), the Directors are responsible for ensuring that the Group keeps adequate accounting records and prepares financial statements that fairly present the financial position, results of operations and cash flows of the Group and that these are in accordance with International Financial Reporting Standards (IFRS). In preparing the accompanying financial statements, the Directors have complied with all the requirements of IFRS (with the exception of IAS 21: The Effects of Changes in Foreign Currency Rates), the Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments SI 33/99 and SI 62/96. The financial statements are the responsibility of the Directors and it is the responsibility of the Independent Auditors to express an opinion on them, based on their audit.

In preparing the financial statements, the Group has used appropriate accounting policies consistently supported by reasonable and prudent judgements and estimates and has complied with all applicable accounting standards with the exception of IAS 21: The Effects of Changes in Foreign Currency Rates, in relation to the change in functional currency from the US$ to the ZWL as detailed in Accounting Policy note 1. The Directors are of the opinion that the financial statements fairly present the financial position and the financial performance of the Group and Company as at 31 March 2020.

The Board is committed to providing timeous, relevant and meaningful reporting to all stakeholders. The reporting is provided in a format most relevant to the respective stakeholders and the nature of the information being reported.

Board of Directors

The Group has a unitary Board that comprises executive, non-executive and independent non-executive Directors. All the Directors bring to the Board a wide range of expertise as well as significant professional and commercial experience and in the case of independent non-executive Directors, independent perspectives and judgement.

The Board meets under the chairmanship of a non-executive Director, on a quarterly basis, to consider the results for the period, issues of strategic direction on policy, major acquisitions and disposals, approval of major capital expenditure and other matters having a material effect on the Group. A complete listing of matters reserved for decision by the Board has been agreed and is reviewed on a regular basis.

All Directors with the exception of the Chief Executive Officer are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Company's Articles of Association. Appointment of new Directors is approved by the Board as a whole considering recommendations from the Remuneration and Nominations committee. All Directors have access to the advice and services of the Company Secretary.

Remuneration and Nominations Committee

During the year under review the Board established a Remuneration and Nominations Committee consisting of an independent non-executive Director who chairs the committee, and two non-executive Board members. The Board's policy on remuneration is outlined below.

In terms of its remuneration policy, the Group seeks to provide rewards and incentives for the remuneration of Directors performing executive duties, senior executives and employees that reflect performance aligned to the objectives of the Group.

The Directors are appointed to the Board to bring appropriate management, direction, skills and experience to the Group. They are accordingly remunerated on terms commensurate with market rates that recognise their responsibilities to shareholders for the performance of the Group. These rates are reviewed regularly utilising independent consultants were necessary.

Audit Committee

The Audit Committee is comprised of two independent non-executive Directors, including its Chairman and one non-executive Director. It is responsible for monitoring the adequacy of the Group's internal controls and reporting, including reviewing the audit plans of the Internal and External Auditors, ascertaining the extent to which the scope of the audits can be relied upon to detect weaknesses in internal controls, and ensuring that interim and year end financial reporting meet acceptable accounting standards. The Internal Audit function has been outsourced.

In addition to the executives and managers responsible for finance, the Internal and External Auditors attend meetings of the Audit Committee. The Committee meets at least four times a year. The Internal and External Auditors have unrestricted access to the Chairman of the Committee.

To enable the Directors to discharge their responsibilities, management sets standards and implements systems of internal control aimed at reducing the risk of error or loss in a cost-effective manner. On behalf of the Board, the Group's Internal Auditors independently appraise the Group's internal control systems and report their findings to the Audit Committee. The Audit Committee accounts to and makes recommendations to the Board for its activities and responsibilities.

Employment policy

The Group is committed to creating a workplace in which individuals of ability and application can develop rewarding careers at all levels, regardless of their background, race or gender. The Group's employment policy emphasizes opportunity for all and seeks to identify, develop and reward each employee who demonstrates the qualities of individual initiative, enterprise, hard work and loyalty in their job and is embraced by participative programmes designed to achieve appropriate communication and sharing of information between employer and employee.

These policies include appropriate training, recruitment targets and development programmes.

Safety and sustainable development

The Group strives to create wealth and to contribute to sustainable development by operating its business with due regard to economic, social, cultural and environmental issues. Safety and health issues are of special concern. The Group is providing anti-retroviral therapy to employees living with HIV/AIDS.

The Group is committed to addressing and impacting, in a systematic, comprehensive and professional manner, on environmental risks through developing effective management systems and employing the critical principles of forward planning, efficiency and wise resource utilisation.

Code of corporate practices and conduct

The Group is committed to promoting the highest standards of ethical behavior amongst all its employees. All employees are required to maintain the highest ethical standards in ensuring that the Group's business practices are conducted in a manner which, in all reasonable circumstances, is above reproach. Furthermore, all non-bargaining employees are required to sign the Group's Code of Ethics in addition to making a business declaration of interest on an annual basis. All employees are aware of the Fraud Hotline system subscribed to by the Group.

In line with the Zimbabwe Stock Exchange Listing Requirements, the Group operates a "closed period" prior to the publication of year end financial results during which period Directors, officers and employees of the Group may not deal in the shares of the Company. Where appropriate, this is also extended to include other "sensitive" periods.

Risk management and internal control

Effective management of risk is key to the Group's success. As the Board and management accept that they are responsible for internal control, a strong emphasis has been placed on identifying and appropriately managing key risks that threaten the achievement of Group objectives. Although this system is considered robust, it can only provide reasonable, but not absolute assurance that the Group's business objectives will be achieved within the risk tolerance levels defined by the Board.

An internal control system to manage significant risks has been established by the Board. This system, which is designed to manage rather than eliminate risk, includes risk management policies and operating guidelines on the identification, evaluation, management, monitoring and reporting of significant risks. The Board reviews all significant Group risks on a quarterly basis, including an assessment of the likelihood and impact of risks materialising, as well as risk mitigation initiatives and their effectiveness. The Board makes an annual overview of the effectiveness of risk management.

Statement of Directors' Responsibility for Financial Reporting

The Directors of the Group are responsible for the maintenance of adequate accounting records and the preparation and integrity of the annual financial statements and related information. The auditors are responsible for reporting on the fair presentation of the financial statements. The Group's independent auditors, Deloitte & Touche, have audited the financial statements and their report appears on pages 17 to 21. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS) (with the exception of IAS 21: The Effects of Changes in Foreign Currency Rates), the provisions of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments (SI 33/99 and SI 62/96).

The Directors are also responsible for the systems of internal control. These are designed to provide reasonable, but not absolute assurance as to the reliability of the consolidated financial statements, to adequately safeguard, verify and maintain accountability of assets, and to prevent and detect material misstatements and losses. The systems are implemented and monitored by suitably trained personnel with an appropriate segregation of authority and duties. There was no material break down in the functioning of these control procedures and systems identified during the year under review.

The annual consolidated and separate financial statements are prepared on the going concern basis. The Directors have reviewed the budgets and cash flow forecasts for the year to 31 March 2021 and in light of this review and the current financial position, they are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.

In light of the non-compliance with IAS 21: The effects of Changes in Foreign Currency Rates, as detailed in accounting policy note 2, the Directors and management urge users of the financial statements to exercise due caution. The respective notes mentioned above seek to provide users with more information given the context and the aforementioned guidance.

The consolidated and separate financial statements set out on pages 22 to 85 were approved by the Board of Directors on 29 June 2020 and signed on its behalf by:

D L Marokane
Chairman

A Mhere
Chief Executive Officer

29 June 2020

Preparer of financial statements

The Group and Company financial statements have been prepared under the supervision of O H Manasah, CA (Z).

O H Manasah
Registered Public Accountant PAAB number 3784

The Directors have pleasure in submitting their report and the financial statements of the Group for the year ended 31 March 2020. The Group's Independent Auditors, Deloitte & Touche, have audited the financial statements and their report appears on pages 17 - 21.

Share capital and reserves

During the year there was no change in the authorised and issued share capital of the Company. At 31 March 2020 the number of authorised shares amounted to 200 million ordinary shares of which 193 020 564 were in issue.

The movement in the non-distributable reserve of the Group is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Balance at the beginning of the year	(7 802)	(13 730)	53 511	50 406
Exchange (loss) / gain on translation of equity in foreign associated company net of tax	(31 405)	5 928	25 237	3 105
Balance at the end of the year	**(39 207)**	**(7 802)**	**78 748**	**53 511**

Group profit or loss account for the year ended 31 March 2020

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Profit before tax	1 151 992	762 399	1 583 441	108 491
Income tax expense	(393 587)	(211 354)	(405 154)	(34 715)
Profit for the year	**758 405**	**551 045**	**1 178 287**	**73 776**
Retained earnings brought forward	1 691 873	1 217 020	115 957	48 567
Dividend No. 46 of 2 ZWL cents per share	-	(48 837)	-	(3 860)
Actuarial loss on post retirement provision	(149 434)	(27 355)	(47 894)	(2 526)
Retained earnings carried forward	**2 300 844**	**1 691 873**	**1 246 350**	**115 957**

Dividend

In view of the Company's positive financial performance the Directors have declared an interim dividend of ZWL36 cents per share for the year ended 31 March 2020 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full to all Shareholders of the Company registered at the close of business on 26 June 2020. No final dividend has been declared for the year ended 31 March 2020.

Directorate

1. Messrs J E Chibwe and S G Nhari ceased to be members of the Board during the year.
2. Messrs C F Dube, R J Moyo, G Sweto, J G Hudson and O H Manasah were appointed to the Board during 2020. In terms of the Articles of Association they all retire from the Board at the next Annual General Meeting and being eligible, they offer themselves for re-election.
3. Messrs N Kudenga and R D Aitken retire by rotation in terms of article 100 of the Articles of Association, and being eligible, offer themselves for re-election.

Directors' fees

At the Annual General Meeting held on 26 February 2020, the members approved the payment of Directors' fees for the year ended 31 March 2020 amounting to ZWL37 500 per non-executive director and ZWL75 000 for the Chairman, subject to quarterly reviews in light of the hyperinflationary environment.

Independent Auditors

In 2019, the audit committee committed to change auditors. This process has commenced and will be finalised in good time to transition from Deloitte as our external audit firm to the new audit firm. This is dependent on related processes at the parent company, Tongaat Hulett Limited where strides have been made in engaging with another audit firm in this regard. The company will consider the result of this process in appointing new auditors in a manner that ensures an efficient audit process.

Preparer of financial statements

The Group and Company financial statements have been prepared under the supervision of O H Manasah (Registered Public Accountant number 3784) and have been audited in terms of the Companies and Other Business Entities Act (Chapter 24:31).

Approval of financial statements

The Group and Company financial statements for the year ended 31 March 2020 set out on pages 22 to 85 were approved by the Board of Directors on 29 June 2020 and signed on its behalf by Messrs D L Marokane and A Mhere.

Going concern basis

The Directors are satisfied that the Group has adequate resources to continue in operational existence for the foreseeable future. For this reason, they have adopted the going-concern basis in preparing the financial statements (refer also to note 28).

By order of the Board,

T F Makoni
Company Secretary
Chiredzi

29 June 2020

Deloitte.

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Qualified opinion

We have audited the inflation adjusted financial statements of Hippo Valley Estates Limited (the "Company") and its subsidiaries, joint venture and associates (together, the "Group") set out on pages 22 to 85, which comprise the inflation adjusted consolidated and separate statement of financial position as at 31 March 2020, and the inflation adjusted consolidated and separate statement of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statement of changes in equity and the inflation adjusted consolidated and separate statement of cash flows for the year then ended, and the notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for Qualified Opinion section of our report, the accompanying inflation adjusted consolidated and separate financial statements present fairly, in all material respects, the inflation adjusted consolidated and separate financial position of the Group as at 31 March 2020, and its inflation adjusted consolidated and separate financial performance and inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the Companies and Other Businesses Entities Act (Chapter 24:31) and the relevant Statutory Instruments ("SI") 33/99 and 62/96.

Basis for qualified opinion

Impact of the incorrect date of application of International Accounting Standard 21 "The Effects of Changes in Foreign Exchange Rates ("IAS 21") on the comparative financial information.

As disclosed in note 2 of the financial statements the Group and Company did not comply with IAS 21 in the prior financial year, as it elected to comply with Statutory Instrument 33 of 2019 ("SI 33/19") only from 22 February 2019. Had the Group and Company applied the requirements of IAS 21, many of the elements of the prior year consolidated and separate financial statements, which are presented as comparative information, would have been materially impacted. Therefore, the departure from the requirements of IAS 21 was considered to be pervasive in the prior year.

Our opinion on the current year's inflation adjusted consolidated and separate financial statements is qualified because of the possible effects of this matter on the comparability with the current year's inflation adjusted consolidated and separate financial statements with that of the prior year.

We conducted our audit in accordance with International Standards on Auditing ("ISA"). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the inflation adjusted consolidated and separate 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, together with the ethical requirements that are relevant to our audit of inflation adjusted financial statements in Zimbabwe. We have fulfilled our ethical responsibilities in accordance with these requirements and 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 consolidated and separate financial statements of the current year. These matters were addressed in the context of our audit of the inflation adjusted consolidated and separate financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the Basis for Qualified Opinion section of our report, we have determined the matters described below to be the key audit matters.

Key Audit Matter	How the matter was addressed in the audit
1. Valuation of biological assets – Standing Cane in accordance with IAS 41: Agriculture	
The Group is required to value its standing cane at fair value in accordance with IAS 41 "Agriculture" ("IAS 41"). As disclosed in Note 6, the carrying value of the standing cane amounted to ZWL1.192 billion (2019: ZWL709 million). The value of standing cane is based on the estimated sucrose content and realisable value of the sugar for the following season less the estimated costs of harvesting, transport and over-the-weighbridge costs. Important inputs include the expected cane yield and the average maturity of the cane. Accordingly, the valuation of standing cane is considered to be a key audit matter due to the significance of the balance to the financial statements as a whole, combined with the multiple judgements associated with determining estimates used to compute the carrying value, namely estimated cane yields, average age at maturity and the sucrose realisable value.	In evaluating the fair value of standing cane, we reviewed the valuations performed by the directors, with a particular focus on key estimates and the assumptions underlying those estimates, such as the determination of the estimated cane yield, average age and maturity and sucrose realisable value, as noted below. Our procedures included, but were not limited to the following: • Performing sensitivity analyses on the valuation of standing cane to evaluate the extent of impact on the fair value of the estimated cane yield and estimated sucrose content. • Performing a sensitivity analysis on the sucrose price. • Comparing the estimates of sucrose prices made by the directors in determining the value of standing cane with the subsequently realised sucrose prices on the various markets. • Evaluating whether the valuation criteria used by the directors comply with the requirements of IAS 41. • Testing the design and implementation of monitoring controls and relevant controls with respect to the process of determining fair values for the biological assets. • Substantively testing all key data inputs underpinning the carrying value of standing cane, including the number of hectares "under cane", estimated cane yields, estimated sucrose content, estimated sucrose prices, costs for harvesting, transport and over-the-weighbridge costs, against appropriate supporting evidence, to assess the accuracy, reliability and completeness thereof. • Assessing the appropriateness of the disclosures with respect to the impact of the sensitivity of the various assumptions by ensuring that the information disclosed in the financial statements was in accordance with the results of the audit procedures, in particular, the estimated yield and sucrose price for standing cane. • Assessing the reliability of management's forecasts used in the valuation of standing cane through a comparison of the actual results in the current year against previous forecasts made by the directors. We did not identify any material misstatements as a result of the procedures detailed above.

Key Audit Matter	How the matter was addressed in the audit
2. Valuation of biological assets, Cane Roots, in accordance with IAS 16 "Property, plant and equipment"	
The Group is required to value its cane roots at cost in accordance with IAS 16 "Property, plant and equipment" ("IAS 16"). As disclosed in Note 4.3, the carrying value of the cane roots amounted to ZWL258 million (2019: ZWL270 million). The value of cane roots is based on the estimated historical cost depreciated over the expected useful life of cane roots of 9 ratoons. The cost is determined by restating the estimated historical cost to the year-end purchasing power using the relevant conversion factors. The carrying value of cane roots is significantly impacted by management's determination of the estimated expected useful life of the cane roots. Accordingly, the value of cane roots is a key audit matter due to the significance of the balance to the financial statements as well as the estimation uncertainty associated with the 9 year ratoon life, as the balance is sensitive to this estimate.	In evaluating the carrying value of cane roots, we reviewed the valuations performed by the directors, with a particular focus on the establishment costs capitalised in the current year and the expected useful life, as noted below. Our procedures included, but were not limited to the following: • Evaluating whether the valuation criteria used by the directors as well as key data inputs into the carrying value of cane roots comply with the requirements of IAS 16. • Testing the design and implementation and the operating effectiveness of controls with respect to the process of determining the cost of cane roots. • Reviewing the useful life determined by management against expected useful lives of cane in other farming regions as well as those stipulated by the Group based on historical information, in order to validate the estimated useful life of the cane roots. • Assessing the reasonableness of management's estimated expected life of the cane roots by analysing the weather patterns and availability of irrigation water (this has a significant bearing on the life of the roots) through inspecting the dam level statistics of the dams used by the Group as provided by the Zimbabwe Water Authority (ZINWA) and comparing these to the irrigation water requirements of the Group based on historical information, in order to validate the estimated expected useful life of the cane. We did not identify any material misstatements as a result of the procedures detailed above.
3. Valuation and recoverability of long outstanding receivables	
As indicated in Note 7.1, the balance of trade and other receivables at year end of ZWL303 million (2019: ZWL482 million) includes long outstanding receivables amounts. The average credit period is 66 days (2019: 43 days). However, some receivables totalling ZWL39 million have been outstanding for more than 120 days. These include a balance of ZWL7 million that relates to out-grower farmers who will settle the amounts through future delivery of cane, with the support of the Group, over the next three years. This is a key audit matter in the current year due to the significance of the value of trade and other receivables to the financial statements, the judgement involved in assessing the recoverability of the balance through the determination of probabilities of default and the possible effects of Covid-19 global pandemic, which has been assessed as an adjusting event, on the recoverability of balances receivable.	In evaluating the valuation and recoverability of receivables, we reviewed the expected credit loss model prepared by the directors, with a particular focus on forward looking information incorporated in the assessment. Our procedures included independently assessing recoverability of receivables and performing various procedures, including, but not limited to the following: • Obtaining an understanding of management's process and assumptions in assessing recoverability. • Assessing the appropriateness of management's assumptions with respect to the timing of the receipt of funds from the debtors through independently estimating the period of recovery of the receivable based on historic payment patterns, and payment plans in place. • Evaluating the appropriateness of the probability of defaults allocated to each debtor category, based on prior

Key Audit Matter	How the matter was addressed in the audit
3. Valuation and recoverability of long outstanding receivables	
	payment patterns and the expected effect of inflation and Covid-19 on their ability to repay their debts to the Group. Ascertaining the debtors’ solvency and liquidity based on available market data (as applicable) and inspection of correspondence between the debtors and the Group. • Testing the controls related to management’s methods and assumptions in regard to determination of the value of long outstanding receivable balances. • Obtaining external confirmations of balances for a sample of debtors and reconciling these to the balances recorded in the ledger. • Analysing payments received subsequent to year-end, where applicable, as a way to establish recoverability of amounts recorded at year-end. • Evaluating management’s plans and efforts at collecting the receivables, including their pursuit of legal action as a means of recovering outstanding balances, and evaluating the likelihood of success. • Reviewing impairment calculations and discounted cash flows where receipts from debtors are expected to be recovered over a long period of time. We did not identify any material misstatements as a result of the procedures detailed above.

Other Information

The directors are responsible for the other information. The other information comprises the Directors’ Report, as required by the Companies and Other Business Entities Act (Chapter 24:31) and the historical cost consolidated financial information, which we obtained prior to the date of this auditor’s report and the Annual Report, which is expected to be made available to us after that date. The other information does not include the inflation adjusted consolidated financial statements and our auditor’s report thereon. Our opinion on the inflation adjusted financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the inflation adjusted consolidated 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 consolidated 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.

As described in the Basis for Qualified Opinion section above, we qualified our audit opinion for the following reasons:

- The Group did not comply with the requirements of IAS 21 when it changed it functional currency to the RTGS Dollar during 2019. The opinion is modified due to the possible effects of the matter on the comparability of the current year’s inflation adjusted consolidated and separate financial statements with that of the prior year.

We have determined that the other information is misstated for that reason.

Responsibilities of the directors for the inflation adjusted consolidated and separate financial statements.

The directors are responsible for the preparation and fair presentation of the inflation adjusted consolidated financial statements in accordance with International Financial Reporting Standards (IFRS), and the requirements of the Companies Act (Chapter 24:03) and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted consolidated and separate financial statements, the directors are 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 the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

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

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

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

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

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

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

The engagement partner on the audit resulting in this independent auditor's opinion is Brian Mabiza.

Deloitte & Touche

Deloitte & Touche
Per: Brian Mabiza
Partner
Registered Auditor
PAAB Practice Certificate Number 0447

30 June 2020

Consolidated Statement of Financial Position

As at 31 March 2020

	Notes	INFLATION ADJUSTED Year ended 31.03.20 ZWL'000	INFLATION ADJUSTED Year ended 31.03.19 ZWL'000	HISTORICAL COST* Year ended 31.03.20 ZWL'000	HISTORICAL COST* Year ended 31.03.19 ZWL'000
ASSETS					
Non-current assets		**1 547 425**	**1 663 300**	**214 861**	**142 173**
Property, plant and equipment	4.3	1 423 612	1 528 785	139 490	126 517
Intangible assets	4.6	33 130	35 275	2 704	2 874
Investments in associate companies	5	66 757	55 066	48 741	7 092
Right - of - use assets	4.7	1 377	-	1 377	-
Long term receivables	7.3	22 549	44 174	22 549	5 690
Current assets		**2 065 261**	**1 692 254**	**1 960 689**	**216 115**
Biological assets	6	1 204 901	719 506	1 204 901	92 673
Inventories - stores	8	160 380	193 681	134 714	23 097
- sugar and by-products	8	277 534	145 570	250 159	18 750
Accounts receivable - trade	7.1	140 165	167 435	140 165	18 938
- other	7.1	163 058	314 895	111 527	43 187
Cash and cash equivalents		119 223	151 167	119 223	19 470
Total assets		**3 612 686**	**3 355 554**	**2 175 550**	**358 288**
EQUITY AND LIABILITIES					
Capital and reserves		**2 456 987**	**1 879 421**	**1 340 540**	**184 910**
Issued share capital	9.1	195 350	195 350	15 442	15 442
Non-distributable reserves	9.3	(39 207)	(7 802)	78 748	53 511
Retained earnings		2 300 844	1 691 873	1 246 350	115 957
Non-current liabilities		**725 364**	**570 354**	**415 532**	**56 713**
Deferred tax liabilities	10	652 006	506 212	342 174	48 451
Provisions	12.1	72 495	64 142	72 495	8 262
Lease liability	13	863	-	863	-
Current liabilities		**430 335**	**905 779**	**419 478**	**116 665**
Trade and other payables	11	346 079	375 588	335 222	48 376
Leave pay provision	12.2	3 641	24 842	3 641	3 200
Lease liability	13	531	-	531	-
Borrowings	14.1	20 000	439 200	20 000	56 569
Current tax liability		60 084	55 324	60 084	7 126
Dividends payable	19	-	10 825	-	1 394
Total equity and liabilities		**3 612 686**	**3 355 554**	**2 175 550**	**358 288**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company results have not been shown here and in the notes to the financial statements for reasons explained in note 31.

D L Marokane
Chairman

A Mhere
Chief Executive Officer

O H Manasah
Finance Director
Registered Public Accountant
PAAB number 3784

29 June 2020

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2020

	Notes	INFLATION ADJUSTED Year ended 31.03.20 ZWL'000	INFLATION ADJUSTED Year ended 31.03.19 ZWL'000	HISTORICAL COST* Year ended 31.03.20 ZWL'000	HISTORICAL COST* Year ended 31.03.19 ZWL'000
Revenue	15.1	3 672 042	2 522 540	1 682 340	244 890
Fair value gain on biological assets	6	485 395	253 622	1 112 228	55 847
Turnover		**4 157 437**	**2 776 162**	**2 794 568**	**300 737**
Cost of sales	15	(1 230 978)	(1 491 070)	(661 744)	(143 781)
Gross profit		**2 926 459**	**1 285 092**	**2 132 824**	**156 956**
Marketing and selling expenses	15	(597 230)	(409 232)	(270 209)	(40 782)
Administrative and other expenses	15	(483 064)	(301 166)	(252 442)	(30 519)
Net impairment reversal		-	347 252	-	32 625
Other operating loss		(283 946)	(15 179)	(36 652)	(4 668)
Operating profit	15	**1 562 219**	**906 767**	**1 573 521**	**113 612**
Monetary loss		(434 400)	(74 705)	-	-
Net finance charges	16	(30 370)	(85 852)	(10 161)	(6 708)
Finance income		1 204	10 205	584	1 085
Finance costs		(31 574)	(96 057)	(10 745)	(7 793)
		1 097 449	746 210	1 563 360	106 904
Share of associate companies' profit after tax	5	54 543	16 189	20 081	1 587
Profit before tax		**1 151 992**	**762 399**	**1 583 441**	**108 491**
Income tax expense	17	(393 587)	(211 354)	(405 154)	(34 715)
Profit for the year		**758 405**	**551 045**	**1 178 287**	**73 776**
Other comprehensive (loss)/income, net of tax		(180 839)	(21 427)	(22 657)	579
Items that may be reclassified subsequently to profit or loss					
- Exchange (loss)/gain on translation of equity in foreign investment		(31 405)	5 928	25 237	3 105
Items that will not be classified subsequently to profit or loss					
- Actuarial losses on post retirement provision		(149 434)	(27 355)	(47 894)	(2 526)
Total comprehensive income for the year		**577 566**	**529 618**	**1 155 630**	**74 355**
Basic and diluted earnings per share (ZWL cents)	18	393	285	610	38
Headline earnings per share (ZWL cents)	18	393	112	611	22

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company results have not been shown here and in the notes to the financial statements for reasons explained in note 31.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

INFLATION ADJUSTED

	Issued share capital ZWL'000	Non-distributable reserves ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2018	**195 350**	**(13 730)**	**1 217 020**	**1 398 640**
Total comprehensive income for the year	-	5 928	523 690	529 618
Profit for the year	-	-	551 045	551 045
Other comprehensive income /(loss) for the year	-	5 928	(27 355)	(21 427
Dividend	-	-	(48 837)	(48 837)
Balance at 31 March 2019	**195 350**	**(7 802)**	**1 691 873**	**1 879 421**
Total comprehensive (loss)/income for the year	-	(31 405)	608 971	577 566
Profit for the year	-	-	758 405	758 405
Other comprehensive loss for the year	-	(31 405)	(149 434)	(180 839)
Balance at 31 March 2020	**195 350**	**(39 207)**	**2 300 844**	**2 456 987**

Company results have not been shown here and in the notes to the financial statements for reasons explained in note 31

Consolidated Statement of Changes in Equity

For the year ended 31 March 2020

HISTORICAL COST*

	Issued share capital ZWL'000	Non-distributable reserves ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2018 (Restated)	**15 442**	**50 406**	**48 567**	**114 415**
Total comprehensive income for the year	-	3 105	71 250	74 355
Profit for the year	-	-	73 776	73 776
Other comprehensive income /(loss) for the year	-	3 105	(2 526)	579
Dividend	-	-	(3 860)	(3 860)
Balance at 31 March 2019	**15 442**	**53 511**	**115 957**	**184 910**
Total comprehensive income for the year	-	25 237	1 130 393	1 155 630
Profit for the year	-	-	1 178 287	1 178 287
Other comprehensive income/(loss) for the year	-	25 237	(47 894)	(22 657)
Balance at 31 March 2020	**15 442**	**78 748**	**1 246 350**	**1 340 540**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company results have not been shown here and in the notes to the financial statements for reasons explained in note 31.

Consolidated Statement of Cash Flows

For the year ended 31 March 2020

	Notes	INFLATION ADJUSTED Year ended 31.03.20 ZWL'000	INFLATION ADJUSTED Year ended 31.03.19 ZWL'000	HISTORICAL COST* Year ended 31.03.20 ZWL'000	HISTORICAL COST* Year ended 31.03.19 ZWL'000
Cash flows from operating activities					
Cash generated from operations	20.1	594 037	331 803	468 394	37 211
Changes in working capital	20.2	28 175	38 723	(232 475)	(19 287)
Net cash generated from operations		**622 212**	**370 526**	**235 919**	**17 924**
Net finance charges paid		(28 811)	(38 938)	(9 752)	(3 566)
Interest paid-loans		(29 992)	(41 639)	(10 319)	(3 812)
Interest received		1 181	2 701	567	246
Tax paid		(215 011)	(51 955)	(49 492)	(7 017)
Net cash inflow from operating activities		**378 390**	**279 633**	**176 675**	**7 341**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		(46 648)	(109 601)	(27 079)	(9 818)
- Other property, plant, equipment and intangible assets		(5 502)	(54 786)	(2 901)	(5 101)
- Cane roots		(39 560)	(54 815)	(22 592)	(4 717)
- Right of use assets		(1 586)	-	(1 586)	-
Proceeds on disposal of property, plant and equipment	20.3	-	274	-	35
Movement in non-current financial assets		21 625	27 805	(16 859)	-
Dividends received from associated companies		32 496	21 028	10 415	1 942
Net cash inflow/(outflow) from investing activities		**7 473**	**(60 494)**	**(33 523)**	**(7 841)**
Net cash inflow/(outflow) before financing activities		**385 863**	**219 139**	**143 152**	**(500)**
Cash flows from financing activities					
Proceeds from borrowings		141 269	981 935	45 277	76 376
Repayment of trade finance		-	-	-	(30 150)
Repayment of borrowings		(560 470)	(1 118 336)	(90 070)	(32 092)
Dividends paid		-	(48 375)	-	(3 397)
Lease financing paid		1 394	-	1 394	-
Net cash (outflow)/inflow from financing activities		**(417 807)**	**(184 776)**	**(43 399)**	**10 737**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		19 470	9 233	19 470	9 233
Net cash inflow from operating activities		378 390	279 633	176 675	7 341
Net cash inflow/(outflow) from investing activities		7 473	(60 494)	(33 523)	(7 841)
Net cash (outflow)/inflow from financing activities		(417 807)	(184 776)	(43 399)	10 737
Inflation effects on cash and cash equivalents		131 697	107 571	-	-
Cash and cash equivalents at end of year		**119 223**	**151 167**	**119 223**	**19 470**
Consisting of:		**119 223**	**151 167**	**119 223**	**19 470**
Cash at bank		119 156	151 058	119 156	19 456
Cash on hand		67	109	67	14

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company results have not been shown here and in the notes to the financial statements for reasons explained in note 31.

1. Statement of compliance and basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and the International Financial Reporting Interpretations Committee (IFRIC), with an exception for prior year results that are not compliant with IAS 21: The Effects of Changes in Foreign Exchange Rates ("IAS 21"), as detailed in Accounting Policy note 2. The financial statements are based on statutory records that are maintained under the historical cost convention except for the valuation at fair value at the end of each reporting period for certain assets, and adjusted for the effects of applying IAS 29 : Financial Reporting in Hyperinflationary Economies ("IAS 29"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of the transaction. Appropriate adjustments and reclassifications including restatement for changes in the general purchasing power of the Zimbabwe Dollar for purposes of fair presentation in accordance with IAS 29, have been made in these financial statements to the historical cost financial information (see accounting policy note 3). Accordingly, the inflation adjusted financial statements represent the primary financial statements of the Group and Company. The historical cost financial statements have been provided as supplementary information. The preparation of financial statements in conformity with IAS 29 requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

When measuring the fair value of an asset or liability, the Group uses observable market data as far as possible. Fair value measurements are categorised into Level 1, 2 or 3 based on the inputs used in the valuation as follows:

- Level 1 inputs - quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date are used in the valuation of livestock;

- Level 3 inputs are unobservable inputs for the asset or liability, applied on the valuation of standing cane and fruit orchards.

The group has adopted all the new or revised accounting pronouncements as issued by the IASB which were effective for the Group for the current financial year. The adoption of these standards had no recognition and measurement impact on the financial results.

Where there is no guidance from a specific IFRS relating to a particular accounting matter, the Group and Company default to the Conceptual Framework for Financial Reporting in formulating its accounting policies.

2. Functional currency

The abridged consolidated financial statements are presented in Zimbabwe Dollars (ZWL) previously referred to as RTGS dollar (RTGS$), which is the Group's functional and presentation currency.

The country pronounced the Zimbabwe Dollar as the sole legal tender on 24 June 2019, moving from a multi-currency system that used a basket of foreign currencies as legal tender before subsequently reverting to the multi-currency system in March 2020 as part of the economic measures to combat the COVID-19 pandemic. The currency has a limited range of local bond notes, coins and various forms of electronic payment platforms. The pronouncement, however, did not affect the opening or operation of foreign currency designated accounts, otherwise known as 'Nostro FCA accounts' which continued to be recognised as foreign currencies.

In prior year, The Reserve Bank of Zimbabwe (RBZ) in October 2018 instructed banks to separate depositors' bank accounts into RTGS FCA for local RTGS transactions and Nostro FCA accounts for foreign currency transactions (e.g. United States Dollar, British Pound, and South African Rand). Prior to this date, RTGS FCA and Nostro FCA transactions and balances were co-mingled. From an IAS 21 perspective, the separation of Nostro FCA accounts from local RTGS FCA on 1 October 2018 by the RBZ, coupled with changes in associated economic fundamentals, were strong indicators of a change in functional currency. However, the Group maintained the 1:1 parity between the US$ and the RTGS FCA for accounting purposes for the period to 22 February 2019 in order to comply with laws of Zimbabwe that did not recognise RTGS FCA as a currency until 22 February 2019 when SI 33 of 2019 was promulgated.

Consequently, the prior year comparatives are not compliant with IAS 21. However, the current year financial statements are compliant with IAS 21 with the exception of the prior year's non-compliance impact on opening retained earnings.

The principal accounting policies are set out below.

3. Financial Reporting in Hyperinflationary Economies

On 11 October 2019, the Public Accountants and Auditors Board of Zimbabwe classified Zimbabwe as a hyperinflationary economy in accordance with the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies ('IAS 29'), applicable to entities operating in Zimbabwe with financial periods ending on or after 1 July 2019. Hyperinflationary accounting has therefore been applied by the Group for the year ended 31 March 2020.

The Group concurs with this classification, supported by the following factors:

- There was a rapid increase in official inflation rates. As at March 2019, the annual inflation rate was 67% resulting in a three-year cumulative inflation rate of 72%. The annual inflation rate through to March 2020 increased to 676% resulting in a three-year cumulative inflation rate for Zimbabwe of over 1 000%.
- There was significant deterioration in the interbank Zimbabwe Dollar (ZWL) exchange rate during the period. Trading commenced at an interbank rate of ZWL2.5 to US$1 during February 2019 and weakened to a rate of ZWL25.00 to US$1 at 31 March 2020.
- Access to foreign currency to settle foreign currency denominated liabilities remains constrained.

Hyperinflationary accounting requires transactions and balances of each reporting period to be presented in terms of the measuring unit current at the end of the reporting period in order to account for the effect of loss of purchasing power during the period. The Group has elected to use the Zimbabwe Consumer Price Index (CPI) as the general price index to restate amounts as it provides an official observable indication of the change in the price of goods and services.

The carrying amounts of non-monetary assets and liabilities carried at historic cost have been stated to reflect the change in the general price index from the date of acquisition to the end of the reporting period. No adjustment has been made for those non-monetary assets and liabilities measured at fair value. An impairment is recognised in profit or loss if the remeasured amount of a non-monetary asset exceeds the recoverable amount.

All items recognised in the statement of profit or loss and other comprehensive income are restated by applying the change in the average monthly general price index when the items of income and expenses were initially earned or incurred.

Gains or losses on the net monetary position have been recognised as part of profit or loss before tax in the statement of profit or loss and other comprehensive income.

All items in the statement of cash flows are expressed in terms of the general price index at the end of the reporting period.

Comparative amounts in the Group financial results are expressed in terms of the general price index at the end of the reporting period.

The following general price indices and conversion factors were applied:

Date	General Price Index	Conversion factor
31 March 2019	104.4	7.764
31 March 2020	810.4	1.000
Average CPI for 12 months to:		
31 March 2020	382.92	
31 March 2019	87.38	

4. Interests in joint operations

Under IFRS 11 Joint Arrangements, investments in joint arrangements are classified as either joint operations or joint ventures. The classification depends on the contractual rights and obligations of each investor, rather than the legal structure of the joint arrangement. The Group has joint operations whose details are set out in note 3 and recognises its direct right to the assets, liabilities, revenues and expenses of joint operations and its share of any jointly held or incurred assets, liabilities, revenues and expenses. These have been incorporated in the financial statements under the appropriate headings.

5. Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group becomes party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

5.1 Financial assets

5.1.1 Financial assets at amortised cost and the effective interest method

The financial assets of the Group are measured at amortised cost if both of the following conditions are met:

- the asset is held with the objective of collecting contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets meeting these criteria are measured initially at fair value plus transaction costs. They are subsequently measured at amortised cost using the effective interest rate method less any impairment (see note 5.1.3), with interest revenue recognised on an effective yield basis in interest received.

Subsequent to initial recognition, the Group is required to reclassify such instruments from amortised cost to fair value through profit or loss (FVTPL) if the objective of holding the asset changes so that the amortised cost criteria are no longer met.

The effective interest rate method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts the estimated future cash receipts (including all fees on points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial asset, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

The Group may irrevocably elect at initial recognition to classify a financial asset that meets the amortised cost criteria above as at FVTPL if that designation eliminates or significantly reduces an accounting mismatch had the financial asset been measured at amortised cost.

5.1.2 Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss.

For financial assets classified as FVTPL, the foreign exchange component is recognised in profit or loss.

For foreign currency denominated financial assets classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the asset and are recognised in the 'operating profit' line item (note 15) in the statement of comprehensive income.

5.1.3 Impairment of financial assets

The Group recognises a loss allowance for expected credit losses on trade and other receivables. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime expected credit losses ("ECL") for trade and other receivables and have adopted the simplified approach. The expected credit losses on these financial assets are estimated using a provision matrix based on the Group's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12 month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

(i) Definition of default
The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that financial assets that meet either of the following criteria are generally not recoverable:
- when there is a breach of financial covenants by the debtor; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collateral held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

(ii) Credit impaired financial assets
A financial asset is credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit impaired includes observable data about the following events:
(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event (see (ii) above);
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider;
(d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganisation; or
(e) the disappearance of an active market for that financial asset because of financial difficulties.

(iii) Write off policy
The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, e.g. when the debtor has been placed under liquidation or has entered into bankruptcy proceedings, or in the case of trade receivables, when the amounts are over two years past due, whichever occurs sooner. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iv) Measurement and recognition of expected credit losses
The measurement of expected credit losses is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date; for financial guarantee contracts, the exposure includes the amount drawn down as at the reporting date, together with any additional amounts expected to be drawn down in the future by default date determined based on historical trend, the Group's understanding of the specific future financing needs of the debtors, and other relevant forward looking information.

For financial assets, the expected credit loss is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate.

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12 month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

5.1.4 Derecognition of financial assets

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

5.2 Financial liabilities and equity instruments issued by the Group

5.2.1 Classification as debt or equity

Debt and equity instruments are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangement and the definitions of a financial liability and equity instrument.

Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all its liabilites. Equity instruments issued by the Group are recognised at the proceeds received, net of direct issue costs.

5.2.2 Other financial liabilities

Other financial liabilities, including borrowings, are initially measured at fair value, net of transaction costs. Other financial liabilities are subsequently measured at amortised cost using the effective interest rate method, with interest expense recognised on an effective yield basis.

5.2.3 Foreign exchange gains and losses

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. The foreign exchange component forms part of its fair value gain or loss. For foreign currency denominated debt instruments classified at amortised cost, the foreign exchange gains and losses are determined based on the amortised cost of the liability and are recognised in the 'operating profit' line item (note 15) in the statement of comprehensive income.

5.2.4 Derecognition of financial liabilities

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

6. Revenue recognition

Revenue represents the net proceeds after VAT in respect of the Group's trading activities and comprises principally of sugar sales and sales of other biological assets such as livestock and citrus fruits. Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. Revenue is reduced for estimated customer returns, rebates and other similar allowances where applicable.

6.1 Sale of goods

The Group applies a single comprehensive model to account for revenue arising from contracts with customers. Revenue is recognised in a manner that depicts the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Specifically, the Group follows the following 5-step approach to revenue recognition:
Step 1: Identify the contract(s) with a customer.
Step 2: Identify the performance obligations in the contract.
Step 3: Determine the transaction price.
Step 4: Allocate the transaction price to the performance in the contract.
Step 5: Recognise revenue when (or as) the entity satisfies a performance obligation.

Revenue is recognised when (or as) a performance obligation is satisfied, that is, when 'control' of the goods or services underlying the particular performance obligation is transferred to the customer.

A receivable is recognised by the Group when the goods are delivered to the customer as this represents the point in time at which the right to consideration becomes unconditional, as only the passage of time is required before payment is due. For some customers payment of the transaction price is due immediately at the point the customer purchases the goods.

6.2 Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably).

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to that asset's net carrying amount on initial recognition.

7. Leasing

7.1 The Group as lessee

The Group assesses whether a contract is or contains a lease, at inception of the contract. The Group recognises a right-of-use asset and a corresponding lease liability with respect to all lease arrangements in which it is the lessee, except for short-term leases (defined as leases with a lease term of 12 months or less) and leases of low value assets (such as tablets and personal computers, small items of office furniture and telephones). For these leases, the Group recognises the lease payments as an operating expense on a straight-line basis over the term of the lease unless another systematic basis is more representative of the time pattern in which economic benefits from the leased assets are consumed.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by using the rate implicit in the lease. If this rate cannot be readily determined, the Group uses its incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise:

- Fixed lease payments (including in-substance fixed payments), less any lease incentives receivable;
- Variable lease payments that depend on an index or rate, initially measured using the index or rate at the commencement date;
- The amount expected to be payable by the lessee under residual value guarantees;
- The exercise price of purchase options, if the lessee is reasonably certain to exercise the options; and
- Payments of penalties for terminating the lease, if the lease term reflects the exercise of an option to terminate the lease.

The lease liability is presented as a separate line in the consolidated statement of financial position and subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made. The Group remeasures the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used). A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group did not make any such adjustments during the periods presented.

The right-of-use assets comprise the initial measurement of the corresponding lease liability, lease payments made at or before the commencement day, less any lease incentives received and any initial direct costs. They are subsequently measured at cost less accumulated depreciation and impairment losses. Whenever the Group incurs an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated statement of financial position. The Group applies IAS 36 to determine whether a right-of-use asset is impaired and accounts for any identified impairment loss as described in the 'Property, Plant and Equipment' policy.

Variable rents that do not depend on an index or rate are not included in the measurement of the lease liability and the right-of-use asset. The related payments are recognised as an expense in the period in which the event or condition that triggers those payments occurs and are included in the line "Other expenses" in profit or loss (see note 13).

As a practical expedient, IFRS 16 permits a lessee not to separate non-lease components, and instead account for any lease and associated non-lease components as a single arrangement. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

7.2 The Group as lessor

Leases for which the Group is a lessor are classified as finance or operating leases. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Group is an intermediate lessor, it accounts for the head lease and the sub-lease as two separate contracts. The sub-lease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Rental income from operating leases is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight-line basis over the lease term.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Group's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Group's net investment outstanding in respect of the leases.

When a contract includes both lease and non-lease components, the Group applies IFRS 15 to allocate the consideration under the contract to each component.

The Group did not have any contracts as a lessor for the year ended 31 March 2020.

8. Property, plant, equipment and intangible assets

8.1 The cost of an item of property, plant and equipment is recognised as an asset if, and only if: (a) it is probable that future economic benefits associated with the item will flow to the entity; and (b) the cost of the item can be measured reliably. Cost is defined as the amount of cash or cash equivalents paid or the fair value of the other consideration given to acquire an asset at the time of its acquisition or construction. Every item of property, plant and equipment that qualifies for recognition as an asset is measured at its cost less accumulated depreciation and accumulated impairment losses.

8.2 To the extent to which the carrying amounts exceed the residual values, the following assets are depreciated on a straight line basis so as to write-off the cost or valuation of such assets over their expected useful lives which generally are as follows:

Land improvements, irrigation canals, dams, roads and bridges	50 - 99 years
Sugar factory buildings and plant	5 - 50 years
Buildings and permanent improvements	50 years
Estate electrification and railway line	35 - 45 years
Rolling stock, plant, equipment, furniture and fittings	8 -30 years
Tractors, trailers, dumpers and heavy equipment	8 -15 years
Motor vehicles	5 -10 years
Cane roots (9 ratoon cycles)	10 years
IT software	4 - 20 years

The estimated useful lives, residual values and depreciation method are reviewed at the end of each reporting period, with the effect of any changes in estimate, accounted for on a prospective basis.

Freehold land and capital work in progress are not depreciated.

8.3 Following the change in functional currency from the US$ to RTGS$, property, plant and equipment, a significant portion of which was procured in US$ in prior financial periods, was translated to RTGS$ terms on a ratio of 1:1. The valuation of property, plant and equipment is therefore distorted by the significant disparity between the US$ and RTGS$ during the current year as highlighted in the summary of significant accounting polices note 2.

8.4 Major spare parts, stand-by equipment and servicing equipment

Major spare parts, stand-by equipment and servicing equipment are recognised as property, plant and equipment when they meet the definition of property, plant and equipment, otherwise such items are classified as inventory. These items meet the definition of property, plant and equipment when they a) are held for use in the production or supply, for rental to others, or for administrative purposes, b) can be used only in connection with an item of property, plant and equipment and c) are expected to be used during more than one period. Management makes use of judgement in this determination including the supposed purpose of the items, the estimated period of use, materiality and significance. Small spares and tools are generally accounted for as inventories and expensed in the profit or loss at point of use. The depreciation of spare parts, stand-by equipment and servicing equipment will depend on the underlying nature of the spare part. Capital spares used as replacement parts at a future point in time are depreciated over their useful lives from the date they are put into use, rather than when they are acquired. Critical spares or stand-by equipment are depreciated over the lesser of their useful life or the remaining expected useful life of the equipment to which they are associated from the time they become available for use which is the date on which they are acquired. Interest and other costs incurred on major capital projects are capitalized until all the activities necessary to prepare assets for their intended use are substantially complete.

8.5 The carrying amount of an item of property, plant and equipment is derecognised upon disposal or when no economic benefits are expected to arise from the continued use of the assets. The gain or loss arising on the disposal or retirement of an item of property, plant and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognised in the statement of comprehensive income.

8.6 Intangible Assets

Intangible assets are measured initially at cost. Interest and other costs incurred on major projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete. After initial recognition, an intangible asset is measured at cost less accumulated amortisation. An intangible asset with a finite useful life is amortised on the straight line basis over its expected useful life.

The estimated useful life is reviewed at the end of each reporting period, with the effect of any changes in estimate being accounted for on a prospective basis. When an intangible asset is disposed of, the gain or loss on disposal is recognised in profit or loss.

9. Impairment of tangible and intangible assets

At the end of each reporting period, the Group reviews the carrying amounts of its tangible and intangible assets to determine whether there is any indication that those assets have suffered an impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Group estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified. Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment is recognised immediately in the statement of comprehensive income.

When an impairment subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, such that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment is recognised immediately in the statement of comprehensive income.

10. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred. In the current year no borrowing costs were directly attributable to qualifying assets; 2019 nil.

11. Inventories

11.1 Stores

Stores inventory is valued at the lower of weighted average cost and net realisable value (NRV). Cost comprises direct materials and freight costs that have been incurred in bringing the inventory to its present location and condition. NRV represents the estimated selling price less all estimated costs to sell off the individual inventory items or of the ultimate end product where the item is a raw material or consumable for which the NRV cannot be individually ascertained.

11.2 Sugar and by-products

Inventory of sugar and its by-products is valued at the lower of cost or NRV. Cost is determined by reference to the cost of production including all relevant production overheads and where applicable, the fair value component of biological assets. NRV represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution.

12. Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

12.1 Current tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit before tax as reported in the consolidated statement of comprehensive income because of items of income or expenses that are taxable or deductable in other years and items that are not taxable or deductible. The Group's current tax is calculated using tax rates that have been enacted by the end of the reporting period.

12.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences.

Deferred tax assets are generally recognised for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised. Such deferred tax assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences associated with investments in subsidiaries and associates, and interests in jointly controlled operations, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognised to the extent that it is probable that there will be sufficient taxable profits against which to utilise the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

12.3 Current and deferred tax for the year

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

13. Foreign currencies

In preparing the financial statements of each individual group entity, transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are retranslated at the rates prevailing at that date.

Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing at the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences on monetary items are recognised in profit or loss in the period in which they arise except for:

- exchange differences on foreign currency borrowings relating to assets under construction for future productive use, which are included in the cost of those assets when they are regarded as an adjustment to interest costs on those foreign currency borrowings;
- exchange differences on transactions entered into in order to hedge certain foreign currency risks; and
- exchange differences on monetary items receivable from or payable to a foreign operation for which settlement is neither planned nor likely to occur (therefore forming part of the net investment in the foreign operation), which are recognised initially in other comprehensive income and reclassified from equity to profit or loss monetary items.

14. Employee benefits

14.1 Retirement benefits

Provision is made for post-retirement medical aid benefits and gratuities payable on retirement and is based on the present value of those liabilities for services rendered to date as determined by independent actuaries. Service costs and the net interest expense or income is recognised in profit or loss. Actuarial gains and losses are recognised immediately in other comprehensive income. Remeasurement recognised in other comprehensive income is reflected immediately in retained earnings and will not be reclassified to profit or loss.

Payments to defined contribution retirement benefit plans are recognised as an expense when employees have rendered service entitling them to the contributions.

14.2 Short-term and other long-term employee benefits

A liability is recognised for benefits accruing to employees in respect of wages and salaries, annual leave and sick leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognised in respect of short- term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Liabilities recognised in respect of other long-term employee benefits are measured at the present value of the estimated future cashflows expected to be made by the Group in respect of services provided by employees up to the reporting date.

15. Share-based payment transactions of the acquiree in a business combination

When the share-based payment awards held by the employees of an acquiree (acquiree awards) are replaced by the Group's share-based payment awards (replacement awards), both the acquiree awards and the replacement awards are measured in accordance with IFRS 2 Share-based Payment ("market-based measure") at the acquisition date. The portion of the replacement awards that is included in measuring the consideration transferred in a business combination equals the market-based measure of the acquiree awards multiplied by the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the acquiree award. The excess of the market-based measure of the replacement awards over the market-based measure of the acquiree awards included in measuring the consideration transferred is recognised as remuneration cost for post-combination service.

However, when the acquiree awards expire as a consequence of a business combination and the Group replaces those awards when it does not have an obligation to do so, the replacement awards are measured at their market-based measure in accordance with IFRS 2. All of the market-based measure of the replacement awards is recognised as remuneration cost for post-combination service.

At the acquisition date, when the outstanding equity-settled share-based payment transactions held by the employees of an acquiree are not exchanged by the Group for its share-based payment transactions, the acquiree share-based payment transactions are measured at their market-based measure at the acquisition date. If the share-based payment transactions have vested by the acquisition date, they are included as part of the non-controlling interest in the acquiree. However, if the share-based payment transactions have not vested by the acquisition date, the market-based measure of the unvested share-based payment transactions is allocated to the non-controlling interest in the acquiree based on the ratio of the portion of the vesting period completed to the greater of the total vesting period or the original vesting period of the share-based payment transaction. The balance is recognised as remuneration cost for post-combination service.

16. Agricultural activities

Agricultural activities comprise the growing of cane and milling it into sugar and the raising of cattle for purposes of disposal on the open market. They also include the growing of various fruits for sale on the open market.

16.1 Growing crops

Growing crops comprise standing cane and fruit orchards. The carrying value is determined as follows (see note 18.1):

- standing cane at the estimated cane price and sucrose content less harvesting, transport and over the weighbridge costs; and
- fruit orchards at estimated future sales proceeds less harvesting and transport costs. Future sales proceeds and costs to sell are discounted to present values at valuation date using the weighted average cost of capital which was 30% (2019:23.5%) at current year end.

16.2 Wildlife

Wildlife management activities comprise the management of game animals with safari and hunting activities. The control element of the asset recognition criteria for game as required by IAS 41: Agriculture, is not met due to the unrestricted and free movement of game across established boundaries. Consequently, the Group does not recognize game animals as a biological asset (see note 18.11).

16.3 Agricultural produce

Agricultural produce comprises the harvested product of the Group's biological assets. This is measured at its fair value less estimated point of sale costs at the point of harvest. The consumption of the Group's agricultural produce is charged to production costs at fair value.

16.4 Changes in the fair value of biological assets

Changes in the fair value of biological assets are recognized in revenue in accordance with IAS 41 "Agriculture" which is also consistent with the treatment in prior years. Fair value of biological assets is determined as described in 18.1 below. The Group has provided an analysis of the change in the fair value of biological assets as encouraged by IAS 41 in note 6 to the consolidated financial statements.

17. Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that the Group will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

17.1 Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

18. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group's Accounting policies, which are described above, the directors of the company are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of revision and future periods if the revision affects both current and future periods.

The following are the key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

18.1 Standing cane valuation

Growing crops are required to be measured at fair value less harvesting, transport and over the weigh bridge costs. In determining fair value an estimate is made of the yield of the standing cane as well as the estimated realisable value of the processed sugar. These estimates can vary from the actuals achieved. In the current year, the estimates have been arrived at after considering the following specific factors:

- It assumed that the growing crops will have sufficient water supply throughout the year, on the back of adequate dam water capacity.

- It is anticipated that the accelerated replanting program which began in early 2017 will continue to contribute to the significant improvement in standing cane yields. Yield improved from 78 in 2017 to 107 in current year.

- The estimated realisable value of the processed sugar is calculated on the assumption that the company will be able to compete on the local, regional and international markets and be able to achieve its budgeted volumes, at certain budgeted selling prices, in the different markets.

A standing cane sensitivity analysis based on exposure to yield and the estimated realisable value of the processed sugar, has been included in note 6.1 to the consolidated financial statements.

18.2 Cane roots valuation

Cane roots are valued based on total establishment costs amortised over the period of their productive life which is currently estimated at 9 ratoon cycles grown over a 10-year period. This estimate of the productive life of the cane roots is dependent on the availability of reliable irrigation water supply, relevant agrochemicals and appropriate crop husbandry practices. Unforeseen circumstances such as episodes of drought, disease or crop damage by animals may result in roots in some fields being ploughed out earlier than the standard 9 ratoon cycles. In such circumstance the carrying value of these roots is depreciated in full in the period that they are ploughed out. A sensitivity analysis showing the potential impact of a variation in the useful life of cane roots has been included in note 4.2.1.

Additionally, judgement is required to determine an appropriate cut-off point at which cane roots are deemed to be ready for their intended use. The Group and Company policy is that replant costs, for purposes of cane roots capitalisation shall be up to the point of covering the furrow.

18.3 Citrus

Fruit orchards are measured at fair value less harvesting and transport costs. In determining fair value an estimate is made of the yield of fruit trees over the period of their productive life as well as the estimated sales price. These estimates can vary from the actuals achieved.

18.4 Livestock

Livestock is measured at their fair value. In determining the fair value an estimate is made of current market values.

18.5 Remaining useful lives and residual values of property, plant and equipment

Property, plant and equipment are depreciated over their useful lives taking into account residual values. The actual lives of the assets are assessed annually and are influenced by factors such as technological innovation, product life cycles and maintenance programmes. Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

18.6 Impairment of property, plant and equipment (PPE) other than land

Determining whether PPE is impaired requires an estimation of the value in use of the cash-generating units (CGU) to which PPE has been allocated. The value in use computation requires the Group to estimate the future cash flows expected to arise from the cash-generating unit and a suitable discount rate in order to calculate present value. These calculations require the use of assumptions which are noted in note 4.11 to the consolidated financial statements.

18.7 Post-retirement benefit obligations

Post-retirement benefit obligations are provided for certain existing and former employees. Actuarial valuations are based on assumptions which include employee turnover, mortality rates, the discount rate, the expected long-term rate of return of retirement plan assets, healthcare costs, inflation rates and salary increments.

18.8 Calculation of loss allowance on receivables

When measuring ECL the Group uses reasonable and supportable forward looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements. Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

18.9 Land and related cane land development assets

In previous years, the Group and Company maintained the full carrying value of land held under two title deeds, namely Hippo Valley North (HVN) and Hippo Valley South (HVS), together with related cane land development assets. HVN land measuring 37 772 hectares, was gazetted for acquisition in August 2003 while HVS land measuring 16 433 hectares has not been gazetted. In determining the accounting treatment of such land, the Directors made various judgements based on legal advice and general interpretation of the prevailing land dynamics in Zimbabwe. In terms of Constitution of Zimbabwe Amendment No. 17 of 2005 and the Land Acquisition Act (Chapter 20:10) hereinafter referred to as “the Constitution” and “the Act”, respectively, ownership of land transferred to government upon such gazetting for acquisition. It is the Directors’ judgement therefore that, effective 8 July 2005, ownership of HVN land vested in the Government and legal title thereof. While HVS land has not been gazetted, it is management’s judgement that in terms of the constitution, the Act, and related land dynamics within the country, ownership of this land in substance vests with the state. In the event of any allocation of the land to other parties, the Group and Company are compensated only for permanent improvements and not for the value of the land. Consequently, the Directors have concluded that HVN and HVS land do not meet the recognition criteria in terms of IAS 16 together with related cane land development assets such as capitalised bush clearing, drainage and dirt road costs that may be construed as being part of the land in terms of the Act. Other constructed permanent improvements such as buildings, canals and dams have been determined as being subject to compensation and have therefore been recognised as assets by the Group and Company.

18.10 Major plant maintenance costs

The operational calendar of the sugarcane harvesting and milling operations is split into two seasons, a production period generally running from April to December and a major plant maintenance period from January to March where the plant and key haulage equipment undergo significant refurbishments to prepare them for the subsequent harvesting and milling season. Due to the seasonality of the sugar operations, in determining the accounting treatment of such post production maintenance costs, the Directors are required to make judgements on whether such costs are accounted for in the period of expenditure or in the subsequent production period when the economic benefits associated with these costs are generated. The Directors have considered that in order to defer the relevant costs into the subsequent production period, the costs would have to be recognised as an asset at the financial year end date of 31 March. In compliance with the Group’s accounting policy, the Directors have determined that despite being incurred during the off-crop season, these costs are part of the mill's normal operating capacity and do not qualify for capitalisation as an asset. Consequently, such costs are charged directly to the statement of profit or loss in the financial period in which the costs are incurred.

18.11 Game & wildlife

The Group and Company have a total of 15 060 hectares of land that is under wildlife management, comprising the management of game, safari and hunting activities. Directors’ judgement is required in determining whether the game should be recognised as biological assets of the Group and Company in terms of the requirements of IAS 41: Agriculture. The Directors have determined that despite costs being incurred towards the welfare and protection of certain game and wildlife, and marginal hunting income recognised, the control element of the asset recognition criteria for game is not met given the current unrestricted and free movement of game to areas outside the Company's game park boundaries. Biological assets relating to game are therefore not recognised as biological assets on the statement of financial position.

19. Accounting for changes in accounting policies, accounting estimates and errors

19.1 Change in accounting policies

Accounting policies are the specific principles, bases, conventions, rules and practices applied by an entity in preparing and presenting financial statements. Changes in accounting policy resulting from the initial application of an IFRS are accounted for in accordance with the specific transitional provisions in that IFRS, if any, otherwise they are accounted for retrospectively. Voluntary changes in accounting policies are applied retrospectively.

19.2 Changes in accounting estimates

A change in accounting estimate is an adjustment of the carrying amount of an asset or a liability, or the amount of the periodic consumption of an asset, that results from the assessment of the present status of, and expected future benefits and obligations associated with, assets and liabilities. Changes in accounting estimates result from new information or new developments and, accordingly, are not corrections of errors. The effect of a change in an accounting estimate, is recognised prospectively by including it in profit or loss in the period of the change and future periods.

19.3 Prior period errors

Prior period errors are recognized when there are omissions from, and misstatements in, the entity's financial statements for one or more prior periods arising from a failure to use, or misuse of, reliable information that: (a) was available when financial statements for those periods were authorised for issue; and (b) could reasonably be expected to have been obtained and taken into account in the preparation and presentation of those financial statements. Such errors include the effects of mathematical mistakes, mistakes in applying accounting policies, oversights or misinterpretations of facts, and fraud. A prior period error is corrected by retrospective restatement except to the extent that it is impracticable to determine either the period-specific effects or the cumulative effect of the error.

Notes to the Consolidated Financial Statements

1. Country of incorporation and main activities

The Company and its wholly owned subsidiary, Chiredzi Township (Private) Limited, joint operations Zimbabwe Sugar Sales (Private) Limited (ZSS), Mkwasine Estates (Mkwasine) and the Tokwane Consortium are incorporated in Zimbabwe. Its parent and ultimate holding company is Tongaat Hulett Limited through its wholly owned subsidiary, Triangle Sugar Corporation Limited. The Company engages in the growing and milling of sugar cane and other farming operations. The subsidiary is engaged in the provision of water treatment services. ZSS, in which the Company has a 50% shareholding, is a sugar broking entity for the Company. Mkwasine is a consortium in which the Company has a 50% interest and provides administrative services to the private sugarcane farmers. The Tokwane Consortium is a consortium for the construction and maintenance of the Tokwane barrage and canal in which the Company has 32.56% interest. ZSS, Mkwasine and Tokwane are accounted for as joint operations on a proportionate consolidation basis (see note 3). The Group has investments in associate companies, namely Tongaat Hullet (Botswana) (Proprietary) Limited, a sugar packer and distributor and National Chemical Products Distillers Zimbabwe (Private) Limited that converts molasses into alcohol (see note 5).

2. Adoption of new and revised standards

2.1 New and revised IFRSs affecting amounts reported and/or disclosures in the financial statements

In the current year, the Group has applied a number of new and revised IFRSs issued by the International Accounting Standard Board (IASB) that are mandatory effective for an accounting period that begins on or after 1 January 2018. The application of these amendments has not resulted in any material impact on the financial performance, or financial position of the Group, other than for IFRS 16: Leases as noted below.

Impact of initial adoption of IFRS 16 : Leases

IFRS 16 introduced significant changes to lessee accounting by removing the distinction between operating and finance lease and requiring the recognition of a right-of-use asset and a lease liability at commencement for all leases, except for short-term leases and leases of low value assets. In contrast to lessee accounting, the requirements for lessor accounting have remained largely unchanged. The Group leases commercial buildings as offices for its marketing arm housed at ZSS and have applied the requirements of IFRS 16 in accounting for this lease. The impact of the adoption of IFRS 16 on the Group's consolidated financial statements is described below.

The date of initial application of IFRS 16 for the Group is 1 April 2019.

The group has applied IFRS 16 using the modified prospective approach. There was no adjustment to opening retained earnings as at 1 April 2019 as the adjustment was deemed to be immaterial.

2.1 New and revised IFRSs affecting amounts reported and/ or disclosures in the financial statements (continued)

Impact of first time adoption of IFRS 16 on the Group Statement of Profit or Loss and Other Comprehensive Income

The effect of the adoption of IFRS 16 is detailed as follows.

	Year ended 31.03.19 ZWL'000
Increase in depreciation	(209)
Increase in finance costs	(36)
Decrease in operating costs	228
Decrease in profit before tax	**(17)**
Decrease in tax expense	4
Decrease in profit for the year	**(13)**

The retained earnings as at 1 April 2019 have not been adjusted for the impact of the first time adoption of IFRS 16 as it was deemed to be immaterial.

Impact of first time adoption of IFRS 16 on the Group Statement of Financial Position

	As at 31.03.19 ZWL'000
Increase in right-of-use assets	1 586
Increase in accumulated depreciation	(209)
Increase in lease liabilities	(1 394)
Decrease in Deferred tax	4
Decrease in net assets	**(13)**
Decrease in retained earnings	(13)
Decrease in equity	**(13)**

The retained earnings as at 1 April 2019 have not been adjusted for the impact of the first time adoption of IFRS 16 as it was deemed to be immaterial.

The application of IFRS 16 has an impact on the consolidated statement of cash flows of the Group.
Under IFRS 16, lessees must present:

- Short-term lease payments, payments for leases of low-value assets and variable lease paments not included in the measurement of the lease liability as part of operating activities;
- Cash paid for the interest portion of a lease liability as either operating activities or financing activities, as permitted by IAS 7 (the Group has opted to include interest paid as part of financing activities); and
- Cash payments for the principal portion for a lease liability, as part of financing activities.

Under IAS 17, all lease payments on operating leases were presented as part of cash flows from operating activities.

Consequently, the net cash generated by operating activities has increased by ZWL0,2 million being the lease payments, and net cash used in financing activities has increased by the same amount. The adoption of IFRS 16 did not have an impact on net cash flows.

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures	The Group has adopted the amendments to IAS 28 for the first time in the current year. The amendment clarifies that IFRS 9, including its impairment requirements, applies to other financial instruments in an associate or joint venture to which the equity method is not applied. These include long-term interests that, in substance, form part of the entity's net investment in an associate or joint venture. The Group applies IFRS 9 to such long-term interests before it applies IAS 28. In applying IFRS 9, the Group does not take account of any adjustments to the carrying amount of long-term interests required by IAS 28 (i.e., adjustments to the carrying amount of long-term interests arising from the allocation of losses of the investee or assessment of impairment in accordance with IAS 28).
Annual Improvements to IFRS Standards 2015–2017 Cycle Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs	The Group has adopted the amendments included in the Annual Improvements to IFRS Standards 2015–2017 Cycle for the first time in the current year. The Annual Improvements include amendments to four Standards: **IAS 12 Income Taxes** The amendments clarify that the Group should recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the Group originally recognised the transactions that generated the distributable profits. This is the case irrespective of whether different tax rates apply to distributed and undistributed profits. **IAS 23 Borrowing Costs** The amendments clarify that if any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. **IFRS 3 Business Combinations** The amendments clarify that when the Group obtains control of a business that is a joint operation, the Group applies the requirements for a business combination achieved in stages, including remeasuring its previously held interest (PHI) in the joint operation at fair value. The PHI to be remeasured includes any unrecognised assets, liabilities and goodwill relating to the joint operation. **IFRS 11 Joint Arrangements** The amendments clarify that when a party that participates in, but does not have joint control of, a joint operation that is a business obtains joint control of such a joint operation, the Group does not remeasure its PHI in the joint operation.

2.2 New and revised IFRS Standards in issue but not yet effective

At the date of authorisation of these financial statements, the Group has not applied any new and revised IFRS Standards that have been issued but are not yet effective.

3. Interest in Consortia

3.1 Mkwasine Estates

The Group has a 50% interest in Mkwasine Estates (Mkwasine) whose year end is 31 March. Mkwasine engages in the provision of administrative services to sugarcane farmers at Mkwasine. 50% of the assets and liabilities of the consortium at 31 March 2020 are included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Current assets	**6 186**	**14 664**	**5 685**	**1 882**
Inventories	846	1 241	743	153
Accounts receivables	2 858	12 555	2 460	1 617
Cash and cash equivalents	2 482	868	2 482	112
Total assets	**6 186**	**14 664**	**5 685**	**1 882**
Current liabilities	**(13 042)**	**(27 503)**	**(13 042)**	**(3 542)**
Accounts payable	(13 042)	(27 503)	(13 042)	(3 542)
Net liabilities	**(6 856)**	**(12 839)**	**(7 357)**	**(1 660)**

The Group has no commitments relating to its interest in Mkwasine. The consortium does not generate any revenue. 50% of the Group's share of Mkwasine loss is included in the consolidated statement of profit or loss and other comprehensive income as follows;

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Operating loss	(7 599)	(11 035)	(7 051)	(1 233)

3. Interest in Consortia (continued)

3.2 Zimbabwe Sugar Sales (Private) Limited

The Group has a 50% interest in Zimbabwe Sugar Sales (Private) Limited (ZSS) whose year end is 31 March. ZSS acts as a broker to the sugar millers, and all income and expenditure is for the millers' account. 50% of the assets and liabilities other than inventories, accounts receivable and accounts payable which are included in proportion to sugar produced by each miller at 31 March 2020 are included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Non-current assets	**1 898**	**839**	**1 428**	**70**
Buildings, plant and equipment	390	566	38	47
Motor vehicles and implements	131	273	13	23
Right-of-use asset	1 377	-	1 377	-
Current assets	**76 016**	**127 175**	**68 900**	**16 380**
Inventories	36 970	51	32 492	6
Accounts receivable	18 937	39 049	16 299	5 030
Cash and cash equivalents	20 109	88 075	20 109	11 344
Total assets	**77 914**	**128 014**	**70 328**	**16 450**
Non-current liabilities				
Lease liability	(863)	-	(863)	-
Current liabilities	**(65 733)**	**(105 913)**	**(65 733)**	**(13 642)**
Accounts payable	(65 202)	(105 913)	(65 202)	(13 642)
Lease liability	(531)	-	(531)	-
Total liabilities	**(66 596)**	**(105 913)**	**(66 596)**	**(13 642)**
Net assets	**11 318**	**22 101**	**3 732**	**2 808**

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Sugar revenue	3 512 217	2 452 727	1 600 897	197 351

The Group has no commitments relating to its interest in ZSS.

3.3 Tokwane Consortium

The Group has a 32.56% interest in the Tokwane Consortium whose financial year ends on 31 March. The Group's share of the value of the Tokwane Barrage and Canal included in property, plant and equipment (note 4) is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Non-current assets				
Property, plant and equipment	14 573	14 826	1 152	1 172

The Group has no commitments relating to its interest in Tokwane Consortium

3.4 Chiredzi Township (Private) Limited

The Group has a 100% interest in the Chiredzi Township (Private) Limited (incorporated in Zimbabwe) which provides water treatment services. The subsidiary whose financial year ends on 31 December is controlled by the Group and is consolidated in these financial statements. The Group has no commitments relating to its interest in Chiredzi Township (Private) Limited.

4. Property, plant, equipment and intangible assets

4.1 Cost - Property, plant and equipment

INFLATION ADJUSTED

	Balance 31.03.18 ZWL'000	Additions ZWL'000	Disposals /transfer ZWL'000	Balance 31.03.19 ZWL'000	Additions ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.20 ZWL'000
Permanent improvements	74 339	-	-	74 339	-	-	74 339
Cane roots	594 465	54 815	(129 592)	519 688	42 178	(2 618)	559 248
Irrigation canals, dams and equipment	407 049	640	-	407 689	-	-	407 689
Housing and buildings	458 903	380	617	459 900	-	-	459 900
Sugar factory buildings and plant	740 216	13 200	11 262	764 678	281	2 274	767 233
Other buildings, plant and equipment	7 139	593	96	7 828	6	-	7 834
Agricultural, haulage and motor vehicles and implements	284 981	2 829	(13 898)	273 912	257	-	274 169
Capital work in progress	36 617	35 284	(14 835)	57 066	4 921	(2 564)	59 423
Capital work in progress - strategic spares	4 161	1 861	-	6 022	37	-	6 059
	2 607 870	**109 602**	**(146 350)**	**2 571 122**	**47 680**	**(2 908)**	**2 615 894**

HISTORICAL COST

	Balance 31.03.18 ZWL'000	Additions ZWL'000	Disposals /transfer ZWL'000	Balance 31.03.19 ZWL'000	Additions ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.20 ZWL'000
Permanent improvements	5 876	-	-	5 876	-	-	5 876
Cane roots	46 990	4 717	(10 244)	41 463	25 210	(2 618)	64 055
Irrigation canals, dams and and equipment	32 175	59	-	32 234	-	-	32 234
Housing and buildings	36 274	40	80	36 394	-	-	36 394
Sugar factory buildings and plant	58 511	1 465	1 451	61 427	273	2 274	63 974
Other buildings, plant and equipment	564	71	12	647	2	-	649
Agricultural, haulage and motor vehicles and implements	22 527	285	(1 582)	21 230	257	-	21 487
Capital work in progress	2 895	2 945	(1 911)	3 929	2 333	(2 564)	3 698
Capital work in progress - strategic spares	329	235	-	564	36	-	600
	206 141	**9 817**	**(12 194)**	**203 764**	**28 111**	**(2 908)**	**228 967**

4.2 Accumulated depreciation and impairment - Property, plant and equipment

INFLATION ADJUSTED

	Balance 31.03.18 ZWL'000 Restated	Charge for the year ZWL'000 Restated	Disposals /transfer ZWL'000 Restated	Reversal of Impairment ZWL'000	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.20 ZWL'000
Permanent improvements	74 339	-	-	-	74 339	-	-	74 339
Cane roots	303 428	58 683	(70 776)	(41 602)	249 733	54 177	(2 618)	301 292
Irrigation canals, dams and equipment	136 931	5 476	-	(117 958)	24 449	7 019	-	31 468
Housing and buildings	225 938	9 508	-	(93 953)	141 493	5 324	-	146 817
Sugar factory buildings and plant	477 425	26 520	-	(110 720)	393 225	71 378	(160)	464 443
Other buildings, plant and equipment	4 464	(332)	(167)	(1 327)	2 638	2 367	-	5 005
Agricultural, haulage and motor vehicles and implements	183 310	15 547	(1 889)	(40 508)	156 460	12 458	-	168 918
	1 405 835	**115 402**	**(72 832)**	**(406 068)**	**1 042 337**	**152 723**	**(2 778)**	**1 192 282**

HISTORICAL COST

	Balance 31.03.18 ZWL'000 Restated	Charge for the year ZWL'000 Restated	Disposals /transfer ZWL'000 Restated	Reversal of Impairment ZWL'000	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.20 ZWL'000
Permanent improvements	5 876	-	-	-	5 876	-	-	5 876
Cane roots	23 985	4 664	(7 756)	(5 809)	15 084	7 010	(2 618)	19 476
Irrigation canals, dams and equipment	10 824	358	-	(9 330)	1 852	555	-	2 407
Housing and buildings	17 859	650	-	(7 443)	11 066	421	-	11 487
Sugar factory buildings and plant	37 738	2 465	-	(9 299)	30 904	5 859	(160)	36 603
Other buildings, plant and equipment	353	36	(16)	(114)	259	196	-	455
Agricultural, haulage and motor vehicles and implements	14 490	982	(148)	(3 118)	12 206	967	-	13 173
	111 125	**9 155**	**(7 920)**	**(35 113)**	**77 247**	**15 008**	**(2 778)**	**89 477**

4.2.1 Cane roots depreciation

*Included in the cane roots depreciation charge for the year is accelerated depreciation amounting to ZWL2 503 625 (2018: ZWL3 505 418) relating to cane roots ploughed out before expiry of the standard 9 ratoon cycle. This is as a result of the accelerated replanting program aimed at improving future cane yields which have been impacted negatively by episodes of drought over the past years. Notwithstanding this past experience, management is of the view that with guaranteed irrigation water availability, following the commissioning of Tugwi Mukosi dam in April 2018, the estimated useful life for cane roots of 9 ratoon cycles is attainable and consequently remains appropriate. The group will continue to reassess useful lives of cane roots at the end of each financial period and if expectations differ from previous estimate, the changes will be accounted for prospectively as a change in estimate in accordance with IAS 8 and IAS 16.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Accelerated depreciation	3 264	29 162	1 046	2 693

4.2.2 Ratoon sensitivity analysis

The sensitivity analysis below has been determined based on exposure to variation in estimated useful lives of ratoons at the end of the reporting period from the normal life of 9 ratoon cycles.

		INFLATION ADJUSTED Decrease in operating profit		HISTORICAL COST Decrease in operating profit	
Variable Factor	**Estimated Useful Life**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Ratoon cycles	6 ratoons	(4 174)	(32 406)	(4 174)	(12 255)
Ratoon cycles	8 ratoons	(1 209)	(9 385)	(1 209)	(1 865)

4.3 Carrying amounts - Property, plant and equipment

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Cane roots	257 956	269 955	44 579	26 379
Irrigation canals, dams and equipment	376 221	383 240	29 827	30 382
Housing and buildings	313 083	318 407	24 907	25 328
Sugar factory buildings and plant	302 790	371 453	27 371	30 523
Other buildings, plant and equipment	2 829	5 190	193	388
Agricultural, haulage and motor vehicles and implements	105 251	117 452	8 314	9 024
Capital work in progress	59 423	57 066	3 698	3 929
Capital work in progress - strategic spares	6 059	6 022	601	564
	1 423 612	**1 528 785**	**139 490**	**126 517**

Notwithstanding the derecognition of the land and related cane land development costs as detailed in note 28.1.1, the permanent improvements thereon have not been derecognised as the Group and Company continue to exert full control over the assets and in the event of any subsequent eviction from the land, it will be adequately compensated for the improvements by the Zimbabwean government, in terms of the provisions of the Bilateral Investment Promotion and Protection Agreement of November 2009 signed between the government of Zimbabwe and the Republic of South Africa.

4.4 Cost - Intangible assets

	Balance 31.03.18 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.19 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.20 ZWL'000
INFLATION ADJUSTED							
ERP System	39 400	1 840	-	41 240	-	-	41 240
HISTORICAL							
ERP System	3 115	237	-	3 352	-	-	3 352

4.5 Accumulated amortisation - Intangible assets

	Balance 31.03.18 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.20 ZWL'000
INFLATION ADJUSTED							
ERP System	1 642	4 195	128	5 965	2 145	-	8 110
HISTORICAL							
ERP System	130	332	16	478	170	-	648

4.6 Carrying amounts – Intangible assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
ERP System	33 130	35 275	2 704	2 874

4.7 Cost – Right-of-use assets

	Balance 31.03.18 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.19 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.20 ZWL'000
INFLATION ADJUSTED							
Buildings	-	-	-	-	1 586	-	**1 586**
HISTORICAL COST							
Buildings	-	-	-	-	1 586	-	**1 586**

4..8 Accumulated Depreciation – Right-of-use assets

	Balance 31.03.18 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.20 ZWL'000
INFLATION ADJUSTED							
Buildings	-	-	-	-	209	-	209
HISTORICAL							
Buildings	-	-	-	-	209	-	209

4.9 Carrying amounts – Right-of-use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Buildings	1 377	-	1 377	-

4.10 Assets pledged as security

The Group does not have any property, plant and equipment pledged as security for any debts.

4.11 Impairment of tangible and intangible assets

At each reporting period, the Group tests whether its assets have suffered any impairment at the end of a reporting period. In determining value in use, the Group's agricultural and milling activities are considered as a single cash generating unit (CGU). The calculations use cash flow projections based on financial budgets approved by management and Directors covering a five-year period. Cash flows beyond the five-year period are extrapolated using the estimated growth rates stated below. Following the revised impairment test performed as at 31 March 2017, an impairment loss of ZWL37 963 532 was applied retrospectively as at 31 March 2018. The impairment test performed as at 31 March 2019 resulted in a reversal of the previously recognised impairment loss due to the effective devaluation of assets on change of functional currency of the company from the United States dollar to the ZWL dollar (Accounting policy note 2). There were no further indicators of impairment as at March 2020. The following table sets out the key assumptions used in the impairment tests performed for the CGU.

Assumption	Approach used to determining values
Production volumes	Past performance adjusted for management's expectations on irrigation water availability, improved yields from root replanting on company owned and private farmer owned land.
Sales volume	Past performance adjusted for projected local market demand over the four-year forecast period; Management's expectations on regional and international export market development.
Sales prices	Based on current and projected local and export market industry trends.
Other operating costs	Fixed costs of the CGU, which do not vary significantly with sales or production volumes or prices are based on the current structure of the business, adjusting for inflationary increases. Variable costs are adjusted in line with forecast year on year changes to production or sales.
Annual capital expenditure	Expected cash costs based on the historical experience of management, and the planned maintenance capital expenditure. No expansionary capital expenditure is assumed in the value-in-use model calculations.

Assumption	Approach used to determining values
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are management's best estimate based on past experience and forecast economic parameters.
Pre-tax discount rates	Reflect specific risks relating to the relevant CGU and the country of operation. Where necessary expert advice is obtained.

Impact of COVID-19 pandemic

As a result of the COVID-19 pandemic, and containment measures put in place by various governments after the reporting date, the Directors assessed the possible impact of those measures on the forecast cash flows used in determining the recoverable amount of assets and concluded that the impact was minor and the result of the test was such that the value in use of assets was greater than the carrying amount of assets in the Cash Generating Unit.

Key parameters and results of the impairment test performed are as follows;

	31.03.2020 ZWL'000	31.03.2019 ZWL'000	31.03.2020 ZWL'000	31.03.2019 ZWL'000
Pre-tax Weighted Average Cost of Capital (WACC)	26.0%	18.9%	26.0%	18.9%
Long term growth rate	0.0%	2.0%	0.0%	2.0%
Value in use (ZWL'000)	5 908 500	3 428 135	5 908 500	296 432
Carrying amount of CGU (ZWL'000)	2 971 020	1 471 649	2 971 020	127 254
Impairment loss recognised in statement of comprehensive income (ZWL'000)	-	-	-	-
Headroom (ZWL000)	2 937 480	1 956 486	2 937 480	169 178
Impairment loss reversed in statement of comprehensive income (ZWL'000)	-	406 070	-	35 113

Sensitivity Analysis

Variable factor	Resulting Headroom/(impairment)		Resulting Headroom/(impairment)	
	31.03.2020 ZWL'000	31.03.2019 ZWL'000	31.03.2020 ZWL'000	31.03.2019 ZWL'000
1% increase in long-term growth rate	3 109 480	2 077 290	3 109 480	179 624
1% decrease in long-term growth rate	2 781 980	1 849 131	2 781 980	159 895
1% increase in pre-tax discount rates	2 614 480	1 747 293	2 614 480	151 089
1% decrease in pre-tax discount rates	3 295 980	2 192 405	3 295 980	189 578

5. Investments in associate companies

Name of associate company	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power held	
			31.03.20	31.03.19
Tongaat Hulett (Botswana) (Proprietary) Limited (i)	Packer and distributor of sugar	Botswana	33.3%	33.3%
National Chemical Products Distillers Zimbabwe (Private) Limited (ii)	Conversion of molasses into alcohol	Zimbabwe	49%	49%

(i) The financial year-end is 31 March, and the associate company is equity accounted using the audited year-end accounts. The Group has no commitments relating to its interests in the associate. The associated company has no quoted market price therefore no fair value is disclosed. Summarised financial information in respect of the associate company is set out below:

Tongaat Hulett (Botswana) (Proprietary) Limited

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Total non current assets	16 726	22 471	16 726	2 894
Total current assets	140 692	149 078	140 692	19 201
Total non current liabilities	(2 008)	(2 475)	(2 008)	(319)
Total current liabilities	(28 390)	(39 466)	(28 390)	(5 083)
Net Assets	**127 020**	**129 608**	**127 020**	**16 693**
Group's share of net assets of associates	42 340	43 203	42 340	5 565
Total Revenue	1 113 188	899 862	402 957	89 515
Total Profit for the period	126 524	38 633	45 800	3 843
Group's share of profit of associates (after tax)	42 174	12 878	15 267	1 281

(ii) The financial year-end for National Chemical Products Distillers Zimbabwe (Private) Limited (NCPDZ) is 31 December. For the purpose of applying the equity method of accounting, the financial statements of NCPDZ for the year ended 31 December 2019 have been used, and appropriate adjustments have been made for the effects of transactions between that date and 31 March 2020 based on the unaudited management accounts. The Group has no commitments relating to its interests in the associate. The associated company has no quoted market price therefore no fair value is disclosed. Summarised financial information in respect of the associate company is set out below:

National Chemical Products Distillers Zimbabwe (Private) Limited

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Total non current assets	7 980	8 766	2 092	1 129
Total current assets	83 494	28 337	21 890	3 650
Total non current liabilities	(1 138)	(1 613)	(298)	(208)
Total current liabilities	(40 506)	(11 279)	(10 620)	(1 453)
Net Assets	**49 830**	**24 211**	**13 064**	**3 118**
Group's share of net assets of associates	24 417	11 863	6 401	1 527
Total Revenue	173 699	80 164	67 608	7 402
Total Profit for the period	25 243	6 757	9 825	624
Group's share of profit of associates (after tax)	12 369	3 311	4 814	306

6. Biological assets

INFLATION ADJUSTED

	Standing cane ZWL'000	Fruit orchards ZWL'000	Livestock ZWL'000	Total ZWL'000
Balance at 31 March 2018	**452 815**	**5 223**	**7 846**	**465 884**
Fair value gain/(loss)	256 351	(3 003)	274	253 622
- Gain/(loss) arising from physical change	37 846	(1 376)	4 610	41 080
- Gain arising from price changes	603 611	-	-	603 611
- Loss due to decrease in area	(39 905)	-	-	(39 905)
Fair value adjustment on IAS 29 application	(345 201)	(1 627)	(4 336)	(351 164)
Balance at 31 March 2019	**709 166**	**2 220**	**8 120**	**719 506**
Fair value gain	482 742	1 471	1 182	485 395
- Gain arising from physical change	132 259	5 000	12 131	149 390
- Gain arising from price changes	373 265	-	-	373 265
- Loss due to decreased area	(22 782)	-	-	(22 782)
Fair value adjustment on IAS 29 application	-	(3 529)	(10 949)	(14 478)
Balance at 31 March 2020	**1 191 908**	**3 691**	**9 302**	**1 204 901**

HISTORICAL COST

	Standing cane ZWL'000	Fruit orchards ZWL'000	Livestock ZWL'000	Total ZWL'000
Balance at 31 March 2018	**35 793**	**413**	**620**	**36 826**
Fair value gain/(loss)	55 548	(127)	426	55 847
- Gain/(loss) arising from physical change	3 495	(171)	21	3 345
- Gain arising from price changes	55 738	44	405	56 187
- Loss due to decrease in area	(3 685)	-	-	(3 685)
Balance at 31 March 2019	**91 341**	**286**	**1 046**	**92 673**
Fair value gain	1 100 567	3 405	8 256	1 112 228
- Gain arising from physical change	744 735	3 405	8 256	756 396
- Gain arising from price changes	358 767	-	-	358 767
- Loss due to decreased area	(2 935)	-	-	(2 935)
Balance at 31 March 2020	**1 191 908**	**3 691**	**9 302**	**1 204 901**

Bioligical assets on hand at year end are as follows:

	31.03.20	31.03.19
Hectares under cane	10 590	10 942
Hectares under fruit orchards	14	14
Livestock population	847	1 018

There are no biological assets pledged as security

6.1 Standing cane sensitivity analysis

Standing cane, is measured at fair value which is determined using unobservable inputs and is categorised as Level 3 under the fair value hierarchy as shown in note 6.2. The fair value of standing cane is determined by estimating the expected growth of the cane, the yield of the standing cane, the cane to sugar conversion ratio, selling prices, less costs to harvest and transport, over-the-weighbridge costs and costs into the market as at the end of the reporting period. The assumptions for these key unobservable inputs used in determining fair value of the standing cane are shown below.

	31.03.20	31.03.19
Area under cane (hectares)	10 590	10 942
Yield (tons cane per hectare)	106.87	110.30
Average age at harvest (months)	12.42	12.50
Cane to sugar ratio	8.00	7.79

The sensitivity analysis below have been determined based on exposure to yield and cane prices for standing cane held at the end of the reporting period. A 5% increase or decrease is used when reporting yield and cane price risk internally to key management personnel and represents management's assessment of the reasonably possible change in yield and cane prices.

Variable factor	% Movement	INFLATION ADJUSTED Increase/(decrease) in profit	
		31.03.20 ZWL'000	**31.03.19 ZWL'000**
Price	+5%	28 788	24 187
Price	(-5%)	(28 788)	(24 187)
Yield	+5%	26 140	21 076
Yield	(-5%)	(26 140)	(21 076)
Combined	**+5%**	**54 928**	**45 263**
Combined	**(-5%)**	**(54 928)**	**(45 263)**

Variable factor	% Movement	HISTORICAL COST Increase/(decrease) in profit	
		31.03.20 ZWL'000	**31.03.19 ZWL'000**
Price	+5%	65 631	5 241
Price	(-5%)	(65 631)	(5 241)
Yield	+5%	59 595	4 567
Yield	(-5%)	(59 595)	(4 567)
Combined	**+5%**	**125 226**	**9 808**
Combined	**(-5%)**	**(125 226)**	**(9 808)**

6.2 Fair value hierarchy for biological assets

The estimated fair values have been determined using available market information and approximate valuation methodologies.

Fair values less cost to sale used on the valuation of biological assets

	Standing cane ZWL	Livestock ZWL	Fruit orchards ZWL
Net realisable value 2019			
Historical costs	1 057.47	1 229.60	0.37
Inflation adjusted	8 210.10	9 546.47	2.90
Net realisable value 2020			
Historical costs	12 677.79	10 894.47	8.94
Inflation adjusted	12 677.79	10 894.47	8.94

INFLATION ADJUSTED

As at 31 March 2020 Biological Assets	**Valuation with reference to prices quoted in an active market Level 1 ZWL'000**	**Valuation based on observable inputs Level 2 ZWL'000**	**Valuation based on unobservable inputs Level 3 ZWL'000**	**Total ZWL'000**
Standing cane	-	-	1 191 908	1 191 908
Fruit orchards	-	-	3 691	3 691
Livestock	9 302	-	-	9 302
	9 302	**-**	**1 195 599**	**1 204 901**
As at 31 March 2019				
Biological assets				
Standing cane	-	-	709 166	709 166
Fruit orchards	-	-	2 220	2 220
Livestock	8 120	-	-	8 120
	8 120	**-**	**711 386**	**719 506**

HISTORICAL COST

As at 31 March 2020 Biological Assets	**Valuation with reference to prices quoted in an active market Level 1 ZWL'000**	**Valuation based on observable inputs Level 2 ZWL'000**	**Valuation based on unobservable inputs Level 3 ZWL'000**	**Total ZWL'000**
Standing cane	-	-	1 191 908	1 191 908
Fruit orchards	-	-	3 691	3 691
Livestock	9 302	-	-	9 302
	9 302	**-**	**1 195 599**	**1 204 901**
As at 31 March 2019				
Biological assets				
Standing cane	-	-	91 341	91 341
Fruit orchards	-	-	286	286
Livestock	1 046	-	-	1 046
	1 046	**-**	**91 627**	**92 673**

Level 1 - biological assets that are valued according to unadjusted market prices for similar asset. Market prices in this instance are readily available and the price represents regularly occurring transactions which have been concluded on an arm's length basis.

Level 2 - biological assets that are valued using observable inputs, other than the market prices noted in the level 1 methodology. These inputs make reference to pricing of similar assets in an inactive market or by utilising observable prices and market related data.

Level 3 - biological assets that are valued using unobservable data, and requires management judgement in determining the fair value.

7. Trade and other receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Trade Receivables				
Sugar receivables	141 435	191 632	141 435	20 937
Molasses receivables	1 417	2 663	1 417	291
Allowance for credit losses	(2 687)	(26 860)	(2 687)	(2 290)
	140 165	**167 435**	**140 165**	**18 938**
Other Receivables				
Prepayments	125 810	162 965	86 467	20 990
VAT receivable	26 850	99 865	26 850	12 863
Staff receivables	1 107	1 231	1 107	159
Private farmers	2 546	26 121	2 546	3 364
Sundry (game, safari and citrus)	18 255	49 335	6 067	10 152
Allowance for credit losses	(11 510)	(24 622)	(11 510)	(4 341)
	163 058	**314 895**	**111 527**	**43 187**
Total trade and other receivables	**303 223**	**482 330**	**251 692**	**62 125**

7.1 Trade and other receivables

The Group does not hold any other collateral or credit enhancements over these balances, nor does it have a legal right of offset against any amounts owed by the Group to the counter-party.

Trade and other receivables disclosed above are classified as financial assets measured at amortised cost. All the amounts are classified as current assets. Fair value of trade and other receivables approximates their amortised costs as disclosed in note 29.4. The average credit period for sugar debtors is 7 days (2019:28days) with the average credit period for other debtors being 30 days. No interest is charged on trade receivables which are overdue and no security is held on any of the trade receivables disclosed above. Before accepting any new customer, the Group uses an internal credit review system to assess the potential customer's credit quality and defines credit limits by customer. Limits and scoring attributed to customers are reviewed periodically by management.

The economic consequences driven by measures to curb the outbreak of COVID-19 are expected to negatively affect the Groups debtors' ability to pay which may in turn increase the expected credit loss recognised on these debtors. A provision matrix as allowed by IFRS 9 has been applied in determining the expected credit losses for trade receivables. Due to the uncertainty of the economic impact of the virus, the following adjustments have been considered in the provision matrix to assess the impact of the pandemic:

- Reassessing the appropriateness of debtors categories, in terms of geography, industry, credit risk characteristics, where characteristics of debtors may have changed.
- Reassessing the expected amount and timing of credit losses.
- Operational disruption experienced resulting in payment delays.
- Payment delays allowed for by the group to selected debtors.
- Credit enhancements as a result of central government and bank programmes designed to support the economy.

7.2 Other receivables

Other receivables have been treated in accordance with IFRS 9. The following receivables have been disclosed separately and in detail because of the special credit terms tied to them.

a) Chiredzi Town Council

Included in trade and other receivables is a long outstanding receivable from Chiredzi Town Council to whom the Group provides water purification services. The debt has been treated as any other debtor in accordance with IFRS 9. An impairment has been made against this debtor, on the basis of an agreement entered into between the Council and the Company whereby:

- the amount will be settled within a period of two years to 31 March 2021;
- interest is charged at 5% per annum in arrears of the balance remaining outstanding as at 31 March of any given year.

The assumptions are based on management's assessment of the local entity's willingness and ability to timeously liquidate its assets to settle this debt under the agreed terms.

The calculations of the amount recoverable from Chiredzi Town Council and impairment applied thereon are shown below:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20	**31.03.19**	**31.03.20**	**31.03.19**
Period of settlement	1 year	2 years	1 year	2 years
Expected credit loss rate	25%	32%	25%	32%
	ZWL'000	**ZWL'000**	**ZWL'000**	**ZWL'000**
Gross amount (before discount element)	1 617	8 183	1 617	1 054
Less: Impairment applied during the year	(406)	(2 640)	(406)	(340)
Net receivable	**1 211**	**5 543**	**1 211**	**714**

b) Private Farmers

Included in the private farmers receivables are amounts in relation to overpayments made in respect of Division of Proceeds (DOP), as a result of a retrospective adjustment for the periods 2014/15 and 2015/16, from an interim DoP of 82,65% to 77%. A total of ZWL 2 591 018 was received in the current year. The outstanding amount of ZWL 80 904 is expected to be recovered from farmers within a year and an appropriate credit loss allowance was provided against the receivable at year end.

The calculations for the amount recoverable from private farmers and impairment applied thereon are shown below:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20	**31.03.19**	**31.03.20**	**31.03.19**
Period of settlement	1 year	1 year	1 year	1 year
Expected credit loss rate	100%	36%	100%	36%
	ZWL'000	**ZWL'000**	**ZWL'000**	**ZWL'000**
Net receivable - Hippo Valley Farmers	-	8 525	-	1 098
Gross amount (before discount element)	81	13 323	81	1 716
Less: Impairment	(81)	(4 798)	(81)	(618)
Net receivable-50% Company share of Mkwasine farmers	-	4 751	-	612
Gross amount (before discount element)	-	7 422	-	956
Less: Impairment	-	(2 671)	-	(344)
Total net receivable	**-**	**13 276**	**-**	**1 710**

7.3 Long-term receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20	**31.03.19**	**31.03.20**	**31.03.19**
	ZWL'000	**ZWL'000**	**ZWL'000**	**ZWL'000**
Long-term receivable	22 549	50 680	22 549	6 528
Allowance for credit losses	-	(6 506)	-	(838)
	22 549	**44 174**	**22 549**	**5 690**

The long term receivable is a combination of i) ZWL 20,470,761 in respect of the Group's advance to Lowveld Sugar Development Trust (LSDT), an entity formed to develop new cane fields for subsequent allocation to private farmers, which is repayable from cane proceeds beginning the 2021 milling season, and ii) the Group's 48% share of ZWL4 400 000 receivable from a major customer under a special arrangement where interest of 7% is charged. The amount is repayable by 31 October 2021 and is secured by a ZWL4 million bank guarantee and a pledge of shares in an operating company. No allowance for credit losses was made as the major customer paid off the debt subsequent to year end.

7.4 Risk profile of receivables

The directors of the Company always estimate the loss allowance on amounts due from customers at an amount equal to lifetime expected credit loss (ECL), taking into account the historical default experience and the future prospects of the sugar industry.

The following table details the risk profile of amounts due from customers based on the Group's provision matrix. As the Group's historical credit loss experience shows significantly different loss patterns for different customer segments, the provision for loss allowance based on past due status has been distinguished between the Group's different customer bases. The Group has also taken into account qualitative and quantitative reasonable and supportable forward looking information which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other.

A COVID-19 related risk adjustment to discount rates has also been considered to reflect the impact of increased probability of default of payments resulting from the outbreak of COVID-19.

The probabilities of defaults assigned to various customer segments for the purpose of computing expected credit losses for financial years ended 31 March 2020 are as follows:

Customer segment	**Current**	**30 Days**	**60 Days**	**90 Days and above**
Trade receivables	3%	10%	50%	100%
Sundry receivables	3%	10%	50%	100%
Private farmers receivables	3%	10%	50%	100%
Staff receivables	2%	10%	50%	100%
Long-term receivable	0%	0%	0%	3%

The probabilities of defaults assigned to various customer segments for the purpose of computing expected credit losses for financial years ended 31 March 2020 are as follows:

Customer segment	**Current**	**30 days**	**60 Days**	**90 Days and above**
Trade receivables	0.5%	5%	10%	39.0%
Sundry receivables	0.5%	5%	10%	35.2%
Private farmers receivables	0.5%	5%	10%	20.5%
Staff receivables	0.5%	5%	10%	30.0%
Long-term receivable	1%	1%	5%	5%

The table below reconciles the movement in the allowance for credit losses:

	INFLATION ADJUSTED		**HISTORICAL COST**	
	As at 31.03.20 ZWL'000	**As at 31.03.19 ZWL'000**	**As at 31.03.20 ZWL'000**	**As at 31.03.19 ZWL'000**
Balance at the beginning of the year	51 482	61 202	6 631	7 883
Increase/(decrease) in expected credit losses on receivables	7 566	(9 720)	7 566	(1 252)
Amounts recovered during the year	-	-	-	-
Net monetary loss	(44 851)	-	-	-
Balance at end of year	**14 197**	**51 482**	**14 197**	**6 631**

8. Inventories

	INFLATION ADJUSTED		**HISTORICAL COST**	
	As at 31.03.20 ZWL'000	**As at 31.03.19 ZWL'000**	**As at 31.03.20 ZWL'000**	**As at 31.03.19 ZWL'000**
Stores	160 380	193 681	134 714	23 097
Sugar and by products	277 534	145 570	250 159	18 750
	437 914	**339 251**	**384 873**	**41 847**

The Group deducted stock provisions as noted below to arrive at the above stock valuations.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Provision for obsolescence	1 370	9 298	1 370	1 198

Molasses stocks, being a by-product from the sugar production process are valued at net realisable value. The value of these stocks was as noted below:

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Molasses stock	827	1 581	725	195

There are no other stocks valued at net realisable value.

9. Capital and reserves

9.1 Authorised and issued share capital

The Company has an authorised share capital of 200 million shares with a nominal value of ZWL0.08 each, of which 193 020 564 shares have been issued, at a total nominal value of ZWL15 441 645.12.

9.2 Unissued share capital

In terms of an ordinary resolution dated 22 August 1990, the Directors are authorised to issue or dispose of all or any of the unissued share capital of the Company for an indefinite period upon such terms and conditions and with such rights and privileges attached thereto as they may determine, subject to the limitations of the Companies Act (Chapter 24:03) and the Zimbabwe Stock Exchange.

9.3 Non– distributable reserve

INFLATION ADJUSTED	Foreign currency translation reserve ZWL'000	Other non-distributable reserve ZWL'000	Total ZWL'000
Balance at 31 March 2018	**(13 730)**	**-**	**(13 730)**
Exchange gain on translation of equity in foreign associated company net of tax	5 928	-	5 928
Deferred tax on post acquisition of foreign associated company	(5 646)	-	(5 646)
Revaluation of original investment	1 133	-	1 133
Revaluation of opening post acquisition reserves	10 441	-	10 441
Balance at 31 March 2019	**(7 802)**	**-**	**(7 802)**
Exchange loss on translation of equity in foreign associated company net of tax	(31 405)	-	(31 405)
Deferred tax on post acquisition of foreign associated company	(21 048)	-	(21 048)
Revaluation of original investment	285	-	285
Revaluation of opening post acquisition reserves	(10 642)	-	(10 642)
Balance at 31 March 2020	**(39 207)**	**-**	**(39 207)**

9.3 Non– distributable reserve (continued)

HISTORICAL COST

	Foreign currency translation reserve ZWL'000	Other non-distributable reserve ZWL'000	Total ZWL'000
Balance at 31 March 2018	**(969)**	**51 375**	**50 406**
Exchange gain on translation of equity in foreign associated company net of tax	3 105	-	3 105
Deferred tax on post acquisition of foreign associated company	(521)	-	(521)
Revaluation of original investment	355	-	355
Revaluation of opening post acquisition reserves	3 271	-	3 271
Balance at 31 March 2019	**2 136**	**51 375**	**53 511**
Exchange loss on translation of equity in foreign associated company net of tax	25 237	-	25 237
Deferred tax on post acquisition of foreign associated company	(6 746)	-	(6 746)
Revaluation of original investment	(880)	-	(880)
Revaluation of opening post acquisition reserves	32 863	-	32 863
Balance at 31 March 2020	**27 373**	**51 375**	**78 748**

10. Deferred tax liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Balance at the beginning of the year	506 213	409 296	48 451	28 496
Transfer to retained earnings arising from actuarial gain on post retirement provision	(49 070)	(9 487)	6 746	(876)
Transfer to capital reserve arising from exchange gain on translation of equity in foreign associated company	21 048	5 646	(15 727)	521
Debit arising on originating temporary differences	200 659	100 757	316 639	20 310
Income tax rate change	(26 844)	-	(13 935)	-
Balance at the end of the year	**652 006**	**506 212**	**342 174**	**48 451**
Deferred tax comprises the tax effect of temporary differences arising from:				
Property, plant and equipment	343 291	372 785	33 459	30 395
Tax losses	-	-	-	-
Prepayments, provisions and exchange differences	3 117	(52 846)	3 117	(6 807)
Biological assets	297 852	185 273	297 852	23 863
Accumulated profit of foreign associated company	7 746	1 000	7 746	1 000
Balance at the end of the year	**652 006**	**506 212**	**342 174**	**48 451**

11. Trade and other payables

	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Trade payables	286 356	353 878	277 555	45 580
Other payables	44 354	8 110	42 811	1 044
Payroll creditors	15 369	13 600	14 856	1 752
	346 079	**375 588**	**335 222**	**48 376**

11. Trade and other payables (continued)

Trade payables comprise amounts outstanding for trade purchases. The average credit period taken to settle trade purchases is 15 days. The majority of trade payables do not accrue interest. Other payables comprise amounts owing to ZIMRA per notes 17.3.1 and 17.3.2, and accrued cane purchases among others. The Group has financial risk management policies in place to ensure that all payables are paid within the pre-agreed credit terms. The Directors consider that the carrying amount of accounts payable approximates their fair value.

12. Provisions

12.1 Employee benefits provisions

Employee benefits provisions comprise of benefits, other than pension distributions, paid to employees on and during retirement. The Group recognises Post-retirement medical aid provision relating to a medical benefit which covers medical treatment costs incurred by eligible employees after retirement and a retirement gratuity provision related to an after-retirement social security benefit, provided to eligible employees by the Group on account of the services provided by them to the establishment. The liabilities are summarised as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Post-retirement medical aid provisions (note 12.1.1)	10 760	25 722	10 760	3 313
Retirement gratuity (note 12.1.2)	61 735	38 420	61 735	4 949
	72 495	**64 142**	**72 495**	**8 262**

12.1.1 Post-retirement Medical Aid

The Group recognises a post-retirement medical aid provision relating to a medical benefit which covers medical treatment costs incurred by eligible employees after retirement. This unfunded liability is determined actuarially each year using the projected unit credit method. The most recent actuarial valuation of the obligation was carried out as at 31 March 2020 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Net liability at the beginning of year	**3 313**	**11 987**	**3 313**	**1 544**
Actuarial loss included in other comprehensive income:	**7 275**	**13 207**	**7 275**	**1 701**
From changes in financial assumptions	(41)	47	(41)	6
From changes in experience items during the year	7 316	13 160	7 316	1 695
Net expense recognized in profit and loss	**329**	**1 126**	**329**	**145**
Current service cost	99	404	99	52
Interest cost	230	722	230	93
Less benefits paid during the year	(157)	(598)	(157)	(77)
Net liability at the end of the year	**10 760**	**25 722**	**10 760**	**3 313**
The principal actuarial assumptions applied are:				
Discount rate	6.50%	6.90%	6.50%	6.90%
Health care cost inflation rate	5.00%	5.40%	5.00%	5.40%
Weighted average duration of the obligation	16.5 years	16.1 years	16.5 years	16.1 years

Sensitivity analysis (based on varying individual input)

	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(348)	(163)	(348)	(21)
1% increase in trend rate - decrease in the obligation	(776)	(3 424)	(776)	(441)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	628	217	628	28
1% decrease in trend rate - increase in the obligation	1 075	4 394	1 075	566
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	(692)	217	(692)	28
1% increase in trend rate - increase in the obligation	(1 180)	4 410	(1 180)	568
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	577	(163)	577	(21)
1% decrease in trend rate - decrease in the obligation	989	(3 494)	989	(450)
Estimated contributions payable in the next financial year	**519**	**1 297**	**519**	**167**

Key risks associated with the post-retirement medical aid obligation:

i) Higher than expected inflation (to which medical cost/contribution increases are related).
ii) "Real" future medical aid cost/contribution inflation (i.e. above price inflation) turns out higher than allowed for.
iii) Longevity – pensioners (and their dependents) living longer than expected in retirement.
iv) Changes in the prescribed basis (as a result of market conditions) which adversely impact the financial results of the Group.

12.1.2 Retirement gratuity

The Group recognises a retirement gratuity provision relating to an after-retirement social security benefit, provided to eligible employees by the Group on account of the services provided by them to the establishment. This unfunded liability is determined actuarially each year using the projected unit credit method. The most recent actuarial valuation of the obligation was carried out as at 31 March 2020 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.19 ZWL'000
Net liability at the beginning of year	**5 012**	**24 790**	**5 012**	**3 193**
Actuarial loss included in other comprehensive income:	**56 346**	**13 633**	**56 346**	**1 756**
From changes in financial assumptions	4	1 941	4	250
From changes in experience items during the year	56 342	11 692	56 342	1 506
Net expense recognized in profit and loss	**612**	**2 757**	**612**	**355**
Current service cost	257	1 266	257	163
Interest cost	355	1 491	355	192
Less benefits paid during the year	(235)	(2 267)	(235)	(292)
Net liability at the end of the year	**61 735**	**38 913**	**61 735**	**5 012**

The principal actuarial assumptions applied are:				
Discount rate	6.5%	6.9%	6.5%	6.9%
Salary inflation rate	1 104%	4.9%	1 104%	4.9%
Weighted average duration of the obligation	10.9 years	10.9 years	10.9 years	10.9 years

Sensitivity analysis (based on varying individual input)

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(1 572)	(155)	(1 572)	(20)
1% increase in trend rate - decrease in the obligation	(3 204)	(3 641)	(3 204)	(469)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	1 820	163	1 820	21
1% decrease in trend rate - increase in the obligation	3 667	4 324	3 667	557
Sensitivity of discount rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	2 408	606	2 408	78
1% increase in trend rate - increase in the obligation	3 514	4 371	3 514	563
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	(2 137)	(520)	(2 137)	(67)
1% decrease in trend rate - decrease in the obligation	(3 127)	(3 750)	(3 127)	(483)
Estimated contributions payable in the next financial year	**649**	**4 045**	**649**	**521**

Key risks associated with the retirement gratuity obligation:

i) Higher than expected inflation (to which salary increases are related).
ii) "Real" salary increases (i.e. above price inflation) turns out higher than allowed for.
iii) Large number of early retirements (normal or ill health) bringing forward gratuity payments.
iv) Fewer exits prior to retirement than expected (i.e. more people reach retirement than allowed for in terms of current demographic assumptions).
v) Changes in the prescribed basis (as a result of market conditions) which adversely impact the financial results of the Group

12.2 Leave pay provisions

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Balance at the beginning of the year	3 200	22 777	3 200	2 934
Increase during the year	441	2 065	441	266
Balance at the end of the year	**3 641**	**24 842**	**3 641**	**3 200**

12.2 Leave pay provisions (continued)

Leave pay provision is recognised for all unutilised leave days accruing to employees up to the maximum leave accrual for each employee in line with the leave policy. No cash outflow is expected from the organisation upon settlement of the provision as employees will be required to utilise the accrued leave days by proceeding on leave in line with the leave policy, other than for cases where a contract of employment expires whilst an employee has accrued leave days.

12.3 Provisions for decommissioning costs

The main resources of the Group are land and its sugar production facilities. The Directors have always pursued a policy of annual planned maintenance and renewal of the sugar production facilities. In addition to this, it is the policy of the Group to carry out sound and proven agricultural practices that do not result in the loss of the income generating capability of the land. Accordingly, it is the opinion of the Directors that the Group's resources are completely renewable and do not have a finite life. No provision has therefore been made for decommissioning costs as specified by International Accounting Standard 37 "Provisions, Contingent Liabilities and Contingent Assets" as this event is unlikely to occur.

13. Leases

The Group leases commercial buildings for ZSS, its marketing arm which acts as a broker to the sugar millers, with all income and expenditure to the millers' account. The average lease term is 3 years. The Group does not have an option to purchase the properties at the expiry of the lease periods.

The following table sets out a maturity analysis of the Group's 50% share of lease payments, showing the undiscounted cash flows to which the Group is exposed in respect of the lease contract after the reporting date.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Maturity analysis – contractual undiscounted cash flows				
Due within one year	602	-	602	-
Due within one to two years	602	-	602	-
Due within two to three years	301	-	301	-
Total undiscounted lease liabilities at 31 March	**1 505**	**-**	**1 505**	**-**
Lease liabilities included in the statement of financial position	**1 394**	**-**	**1 394**	**-**
Analysed as follows :				
Current liability	531	-	531	-
Non-current liability	863	-	863	-
Amounts recognised in profit or loss				
Interest accrued on lease liabilities	36	-	36	-
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	228	-	228	-

The Group is not exposed to foreign currency risk as a result of the lease arrangements, as the leases are denominated in ZWL.

14. Borrowings
14.1 Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
Unsecured –at amortised cost	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Loans from:				
- First Capital Bank (i)	20 000	136 231	20 000	17 547
- Triangle Limited (ii)	-	173 131	-	22 299
- CBZ Bank Limited (iii)	-	11 147	-	1 436
- African Banking Corporation of Zimbabwe Limited (Banc ABC) (iv)	-	56 140	-	7 231
- Stanbic Bank of Zimbabwe Limited (v)	-	62 551	-	8 056
	20 000	**439 200**	**20 000**	**56 569**
Short term	20 000	439 200	20 000	56 569
Long term	-	-	-	-
	20 000	**439 200**	**20 000**	**56 569**

Summary of borrowing arrangements

(i) The facility consists of a short term renewable loan bearing interest of 30% per annum (2019: 7.5% per annum).
(ii) The short term renewable loan in prior year was repayable to a related party of the Group at an interest of 8% per annum charged on the outstanding loan balances at year end. This interest rate was the applicable arm's length market rate prevailing at the time the loan was in place.
(iii) The overdraft facility is renewable annually and bears interest of 33% per annum (2019: 7.5% per annum).
(iv) The overdraft facility is renewable annually and bears interest of 30% per annum (2019: 6.5% per annum).
(v) The overdraft facility is renewable annually and bears interest of 30% per annum (2019: 6.5% per annum).

14.2 Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes where applicable. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	INFLATION ADJUSTED			
	31.03.19 ZWL'000	**Financing cash flows (i) ZWL'000**	**Non cash changes ZWL'000**	**31.03.20 ZWL'000**
Bank loans	266 069	(246 069)	-	20 000

	HISTORICAL COST			
	31.03.19 ZWL'000	**Financing cash flows (i) ZWL'000**	**Non cash changes ZWL'000**	**31.03.20 ZWL'000**
Bank loans	34 270	(14 270)	-	20 000

(i) The cash flows from the bank loans and loans from related parties make up the net amount of proceeds from borrowings and repayments of borrowings in the statement of cash flows.

15. Operating Profit

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Revenue	3 672 042	2 522 540	1 682 340	244 890
Fair value gain on biological assets	485 395	253 622	1 112 228	55 847
Turnover	**4 157 437**	**2 776 162**	**2 794 568**	**300 737**
Cost of sales	**1 230 978**	**1 491 070**	**661 744**	**143 781**
Agricultural and mill chemicals	47 302	56 162	31 966	5 748
Cane purchases	486 847	643 915	329 002	65 903
Depreciation and amortisation	144 673	112 746	9 091	8 870
Staff costs	369 923	349 858	177 172	32 112
Maintenance and other direct production costs	182 233	328 389	114 513	31 148
Gross profit	**2 926 459**	**1 285 092**	**2 132 824**	**156 956**
Marketing and selling expenses	**597 230**	**409 232**	**270 209**	**40 782**
Administration costs	**483 064**	**301 166**	**252 442**	**30 519**
Audit fees - external	12 378	3 552	9 971	469
- internal	1 372	580	1 270	143
Depreciation and amortisation	7 786	6 815	3 469	618
Depreciation of right of use asset	209	-	209	-
Staff costs	194 763	177 513	87 720	17 565
Maintenance and other administration costs	266 556	112 706	149 803	11 724
Net impairment reversal	-	(347 252)	-	(32 625)
Other operating loss	**283 946**	**15 179**	**36 652**	**4 668**
Loss on disposal of property, plant, equipment and intangible assets	300	42 424	130	4 017
Exchange loss (gain)	295 312	(15 575)	41 589	1 756
Other sundry income	(11 666)	(11 670)	(5 067)	(1 105)
Net operating costs	**2 595 218**	**1 869 395**	**1 221 047**	**187 125**
Operating profit	**1 562 219**	**906 767**	**1 573 521**	**113 612**

15.1 Revenue

The Group and company have assessed that the disaggregation of revenue by operating segments as detailed in note 25 is appropriate in meeting the revenue disaggregation disclosure requirements of IFRS 15: Revenue from contracts with customers, as this is the information regularly reviewed by the Chief Executive Officer (being the chief operating decision maker) in order to evaluate the financial performance of the Group. There are no unsatisfied performance obligations at 31 March 2020 (2019: nil) as all revenues from the sale of the Group's products are considered to be satisfied by a single performance obligation.

16. Net finance charges

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Interest received	1 204	10 205	584	1 085
Interest paid	(31 574)	(96 057)	(10 745)	(7 793)
	(30 370)	**(85 852)**	**(10 161)**	**(6 708)**

17. Income tax expense

17.1 Income tax expense

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.2020 ZWL'000	As at 31.03.2019 ZWL'000	As at 31.03.2020 ZWL'000	As at 31.03.2019 ZWL'000
Normal tax	**(219 772)**	**(110 596)**	**(102 450)**	**(14 405)**
Current year normal tax	(219 772)	(107 135)	(102 450)	(10 943)
Prior Year normal tax	-	(3 461)	-	(3 462)
Movement in deferred taxation	**(173 815)**	**(100 758)**	**(302 704)**	**(20 310)**
Movement in current year deferred taxation	(172 637)	(96 917)	(307 658)	(19 955)
Transfer to non-distributable reserve	21 048	5 646	6 746	521
Tax rate change	26 844	-	13 935	-
Transfer from retained earnings	(49 070)	(9 487)	(15 727)	(876)
Charged to group statement of profit or loss	**(393 587)**	**(211 354)**	**(405 154)**	**(34 715)**

17.2 Reconciliation of tax rate

	%	%	%	%
Gross tax rate	25.75	25.75	25.75	25.75
Tax effect of prior year tax under-provision	-	0.45	-	3.19
Tax effect of associate results reported net of tax	(1.08)	(0.55)	(0.22)	(0.38)
Tax effect of Income exempt from tax	-	(0.39)	-	(0.27)
Tax effect of expenses not deductible for tax purposes	12.33	4.95	0.94	2.25
Tax effect of withholding tax	-	(0.44)	-	0.28
Tax effect of inflation adjustment	-	2.52	-	-
Tax effect of rate changes	(2.83)	(4.59)	(0.59)	1.48
Effective tax rate	**34.17**	**27.72**	**25.88**	**32.31**

Tax effect of prior year tax under-provision relates to income tax on technical fees subsequently disallowed for tax purposes.

Expenses not deductible for tax purposes comprise donations, entertainment, technical fees, 2% Intermediated Money Transfer Tax, penalties and fines.

17.3 Outstanding tax matters

17.3.1 VAT on 'milling services'

During the prior financial year, the Company was issued with assessments amounting to ZWL11.4 million by the Zimbabwe Revenue Authority (ZIMRA) for alleged failure to collect and remit VAT on 'milling services' on payments to farmers. ZIMRA is of the view that the Company mills the sugar cane on behalf of the farmers and hence should charge output VAT for the services being provided. The Company 's objection to the assessments was declined by the Commissioner General and an appeal was made to the fiscal court whose determination is awaited. The Company has agreed to a no-prejudice payment plan of the amount while awaiting final determination by the Courts and has raised a liability for the full amount for the year ended 31 March 2020. This amount is included in other payables per note 11.

17.3.2 Transfer pricing

The sugar industry's marketing arm, Zimbabwe Sugar Sales (Private) Limited (ZSS) in which the Company has a 50% interest (see note 3.2), operates on a non-profit basis with all net proceeds being distributed amongst the industry players, namely the sugar cane farmers and millers. ZSS has therefore not been liable for income tax, as the income was taxed in the hands of the respective industry players. Citing transfer pricing provisions, ZIMRA issued to ZSS tax assessments amounting to ZWL32.8 million (Company's 50% share of ZWL16.4 million) in relation to income tax on sales commission deemed

17.3.2 Transfer pricing (continued)

chargeable to the millers by ZSS for sales and marketing services for tax years 2009 to 2015. ZIMRA disallowed the Company's objection against the assessments and the Company's subsequent appeal to the High Court was not successful. Having obtained legal counsel, the Company has appealed to the Supreme Court whose determination is still pending. The Company has raised a liability for the full amount at 31 March 2020. This amount is included in other payables per note 11.

18. Earnings per share

Earnings per share is calculated as below. Basic and diluted earnings for the Group are equal.

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Profit for the year	**758 405**	**551 045**	**1 178 287**	**73 776**
Adjustments:				
Reversal of impairments on property, plant and equipment	-	(406 068)	-	(35 113)
Loss on disposal of property, plant and equipment	130	71 567	130	4 017
Headline earnings	**758 535**	**216 544**	**1 178 417**	**42 680**
Weighted average number of shares in issue (shares)	193 021	193 021	193 021	193 021
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	393	285	610	38
Headline earnings per share	393	112	611	22

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Dividend payable at the beginning of the year	10 825	-	1 394	-
Dividend declared	-	48 838	-	3 860
Dividend paid	(10 825)	(48 375)	(1 394)	(3 397)
Dividend not yet paid	-	463	-	463
Monetary adjustment	-	9 431	-	-
Exchange loss on outstanding foreign denominated dividend	-	931	-	931
Dividend payable at the end of the year	**-**	**10 825**	**-**	**1 394**

19. Dividends

In view of the Company's positive financial performance, the Directors have declared an interim dividend of ZWL36 cents per share for the year ended 31 March 2020 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full to all Shareholders of the Company registered at the close of business on 26 June 2020.

20. Notes to the Group statement of cash flows

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Cash generated from operations				
20.1 Profit before tax	1 562 219	906 767	1 573 521	113 612
Depreciation and amortisation	152 459	119 560	12 769	9 488
Reversal of impairment loss on property, plant and Intangible assets	-	(406 068)	-	(35 113)
Exchange (gain)/loss on foreign denominated dividend	(10 825)	931	(6 410)	931
Net movement in post retirement provisions	(190 151)	(32 627)	612	123
Gross movement in provisions	8 353	4 215	64 233	3 525
Movement attributable to reserves	(198 504)	(36 842)	(63 621)	(3 402)
Net monetary loss	(434 400)	(74 705)	-	-
Loss on disposal of property, plant and equipment	130	71 567	130	4 017
Fair value gain on biological assets	(485 395)	(253 622)	(1 112 228)	(55 847)
	594 037	**331 803**	**468 394**	**37 211**

20.2 Changes in working capital

Increase/(decrease) in inventories	(98 663)	194 715	(343 027)	361
Decrease/(increase) in accounts receivable	179 107	(187 578)	(181 343)	(40 869)
(Decrease)/increase in accounts payable	(29 509)	76 441	291 863	20 643
(Decrease)/increase in leave pay	(21 201)	(46 915)	441	3 720
Interest not yet paid	(1 559)	2 060	(409)	(3 142)
	(28 175)	**38 723**	**(232 475)**	**(19 287)**

20.3 Proceeds on disposal of property, plant, equipment and intangible assets

Carrying amount of property, plant, equipment and intangible assets disposed of	130	67 789	130	4 052
Loss on disposal	(130)	(67 515)	(130)	(4 017)
Proceeds from Disposal	**-**	**274**	**-**	**35**

21. Directors' emoluments

In respect of services as Directors	2 948	5 718	1 774	531
In respect of managerial services	6 211	5 410	3 056	1 708
Audit committee fees	478	258	308	24
	9 637	**11 386**	**5 138**	**2 263**

22. Employee benefit expense

Wages and salaries	528 866	434 050	259 606	40 886
Pension cost – defined contribution plans	21 074	49 131	6 861	4 628
Other employee benefits	83 293	44 184	31 328	4 162
	633 233	**527 365**	**297 795**	**49 676**

23. Borrowing powers

In terms of Article 89 of the Articles of Association as amended at the extraordinary general meeting held on 20 April 2002, the borrowing power of the Company is limited to a maximum amount equal to half the shareholders' funds comprising issued capital, share premium, non-distributable reserves and distributable reserves.

24. Related party transactions and balances

Sugar revenue which constitutes approximately 92% of the Group revenue is derived from sales made on behalf of the Group by Zimbabwe Sugar Sales (Private) Limited in which the Group has a 50% shareholding (note 3.2). The following amounts were received from ZSS in respect of sugar sales.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Sugar revenue	3 512 217	2 452 727	1 600 897	197 351

24.1 Balances between the Group and related parties as at 31 March are shown below:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Trade accounts receivables/(payables):				
Triangle Limited	8 224	2 943	8 224	-
NCPDZ- Associate Company	-	-	-	379
Tongaat Hulett Botswana (Proprietary) Limited - Associate Company	2 994	2 943	2 994	-
Tongaat Hulett Limited (Tongaat Hulett) - Parent Company	29 584	(141 437)	29 584	(18 217)
Borrowings:				
Triangle Limited	(8 224)	171 131	(8 224)	22 299

24.2 Transactions between the Group and related parties are shown below:

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Triangle Limited				
- Sales	235 129	64 630	75 359	5 968
- Operating expenses	(94 518)	(17 923)	(30 293)	(1 655)
- Interest	(17 440)	(8 241)	(5 589)	(761)
- Directors' fees	(4 169)	(606)	(1 336)	(56)
	119 002	**37 860**	**38 141**	**3 496**
Tongaat Hulett				
- Technical services fees	-	(39 872)	-	(3 682)

Tongaat Hulett provides specialized technical services towards the maintenance of the mill and the agricultural units focused on production enhancement. In addition, Tongaat Hulett facilitates purchase of inputs from South Africa on behalf of the Group as part of the Group's initiative to derive synergistic benefits and internal economies of scale. These purchases are conducted at arms' length.

Sales to Associated Companies

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
- NCPDZ	6 756	5 244	3 101	449
- Tongaat Hulett Botswana (Proprietary) Limited	60 983	39 929	36 479	3 419
	67 739	**45 173**	**39 580**	**3 868**

24.3 Compensation to key members of management

The remuneration of Directors and key executives is determined based on the remuneration policy detailed in the Corporate Governance statement.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Short-term benefits	23 065	30 095	11 532	2 779
Post-employment benefits	1 397	2 686	506	248
	24 462	**32 781**	**12 038**	**3 027**

25. Segmental reporting

IFRS 8 "Operating Segments"

The Group has two major operating segments, namely Agriculture and Milling. Other smaller segments which are individually immaterial are aggregated into the gaming and other farming Activities segment. The reportable segments are identified based on the structure of information reported to the Group's Chief Executive Officer (the Chief Operating Decision - Maker) for performance measurement and resource allocation purposes. Agriculture deals mainly with the planting, maintenance, harvesting and haulage of cane to the mill. Milling deals mainly with the crushing of cane and subsequent production of sugar and its by-products. Gaming and other farming activities have been aggregated into a single operating segment on the basis that they are auxiliary activities to the group which individually and in aggregate do not contribute more than 10% of the Group's total revenue. These activities which are of a similar nature mainly deal with game hunting and fishing, citrus fruits and cattle ranching. All these segments operate their activities in Chiredzi. The accounting policies of the reportable segments are the same as the Group's accounting policies.

Sales between segments are carried out at arm's length. The revenue from external parties reported to the strategic steering committee is measured in a manner consistent with that in the statement of comprehensive income.

Current assets and total liabilities are not allocated to segments, as working capital and financing are driven by a central treasury function, which manages the cash position of the Group. Information provided regularly to the Chief Executive Officer (Chief Operating Decision - Maker) does not separate these elements into different segments.

Segment information for the reportable segments for the year ended 31 March 2020 is as follows:

INFLATION ADJUSTED

	Agriculture 31.03.20 ZWL'000	**Milling 31.03.20 ZWL'000**	**Gaming and other farming activities 31.03.20 ZWL'000**	**Total 31.03.20 ZWL'000**
Total segment revenue	2 732 750	3 627 939	46 058	6 406 747
Inter segment revenue	(2 245 464)	-	(3 846)	(2 249 310)
Fair value gain on biological assets	(482 741)	-	(2 654)	(485 395)
Revenue from external customers	**4 545**	**3 627 939**	**39 558**	**3 672 042**
Adjusted EBITDA	1 131 988	95 375	1 920	1 229 283
Fair value gain on biological assets	482 741	-	2 654	485 395
Depreciation and amortisation	(87 905)	(33 891)	(30 663)	(152 459)
Operating profit/(loss)	**1 526 824**	**61 484**	**(26 089)**	**1 562 219**
Total non-current assets	**867 443**	**248 727**	**340 572**	**1 456 742**

25. Segmental reporting (continued)

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.20 ZWL'000
Segment non-current assets for reportable segments	1 456 742
Right - of - use asset	1 377
Long term receivables	22 549
Unallocated: Investments in associated companies	66 757
Total non-current assets per statement of financial position	**1 547 425**

Segment information for the reportable segments for the year ended 31 March 2019 is as follows:

	Agriculture 31.03.19 ZWL'000	Milling 31.03.19 ZWL'000	Gaming and other farming activities 31.03.19 ZWL'000	Total 31.03.19 ZWL'000
Total segment revenue	1 373 056	2 509 257	14 207	3 896 520
Inter segment revenue	(1 116 703)	-	(3 655)	(1 120 358)
Fair value gain on biological assets	(256 353)	-	2 731	(253 622)
Revenue from external customers	**-**	**2 509 257**	**13 283**	**2 522 540**
Adjusted EBITDA	281 187	117 232	(31 782)	366 637
Reversal of impairment loss on property and intangible assets	343 239	59 954	2 875	406 068
Fair value gain on biological assets	256 352	-	(2 730)	253 622
Depreciation and amortisation	(101 061)	(17 652)	(847)	(119 560)
Operating profit/(loss)	**779 717**	**159 534**	**(32 484)**	**906 767**
Total non-current assets	**1 322 062**	**230 926**	**11 072**	**1 564 060**

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.19 ZWL'000
Segment non-current assets for reportable segments	1 564 060
Long term receivables	44 174
Unallocated: Investments in associated companies	55 066
Total non-current assets per statement of financial position	**1 663 300**

Included in revenues arising from direct sales by the milling segment are revenues of approximately ZWL387 404 336 (2019: ZWL21 439 109) realised from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in 2020.

25. Segmental reporting (continued)

Segment information for the reportable segments for the year ended 31 March 2020 is as follows:

HISTORICAL COST

	Agriculture 31.03.20 ZWL'000	Milling 31.03.20 ZWL'000	Gaming and other farming activities 31.03.20 ZWL'000	Total 31.03.20 ZWL'000
Total segment revenue	1 947 580	1 657 067	37 684	3 642 331
Inter segment revenue	(845 022)	-	(2 741)	(847 763)
Fair value gain on biological assets	(1 100 567)	-	(11 661)	(1 112 228)
Revenue from external customers	**1 991**	**1 657 067**	**23 282**	**1 682 340**
Adjusted EBITDA	393 259	88 233	(7 430)	474 062
Fair value gain on biological assets	1 100 567	-	11 661	1 112 228
Depreciation and amortisation	(7 362)	(2 838)	(2 569)	(12 769)
Operating profit/(loss)	**1 486 464**	**85 395**	**1 662**	**1 573 521**
Total non-current assets	**84 672**	**24 279**	**33 243**	**142 194**

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.20 ZWL'000
Segment non-current assets for reportable segments	142 194
Long term receivables	22 549
Unallocated: Investments in associated companies	48 741
Right - of - use asset	1 377
Total non-current assets per statement of financial position	**214 861**

Segment information for the reportable segments for the year ended 31 March 2019 is as follows:

HISTORICAL COST

	Agriculture 31.03.19 ZWL'000	Milling 31.03.19 ZWL'000	Gaming and other farming activities 31.03.19 ZWL'000	Total 31.03.19 ZWL'000
Total segment revenue	148 701	243 577	2 008	394 286
Inter segment revenue	(93 153)	-	(396)	(93 549)
Fair value gain on biological assets	(55 548)	-	(299)	(55 847)
Revenue from external customers	**-**	**243 577**	**1 313**	**244 890**
Adjusted EBITDA	20 415	16 068	(4 343)	32 140
Reversal of impairment loss on property and intangible assets	29 680	5 184	249	35 113
Fair value gain on biological assets	55 548	-	299	55 847
Depreciation and amortisation	(8 020)	(1 401)	(67)	(9 488)
Operating profit/(loss)	**97 623**	**19 851**	**(3 862)**	**113 612**
Total non-current assets	**109 371**	**19 104**	**916**	**129 391**

25. Segmental reporting (continued)

'Reportable segments' for non-current assets are reconciled to total non-current assets as follows:

	31.03.19 ZWL'000
Segment non-current assets for reportable segments	129 391
Long term receivables	5 690
Unallocated: Investments in associated companies	7 092
Total non-current assets per statement of financial position	**142 173**

26. Directors' shareholding

Ordinary shares held by Directors	**Number of shares held 31.03.20**	**Number of shares held 31.03.19**
Non-beneficial shareholding		
S. Harvey	-	-
R D Aitken	-	-
D L Marokane	-	-
A Mhere	-	-
L R Bruce	100	100
N Kudenga	-	-
J P Maposa	100	100
O H Manasah	-	-
Total Directors' shareholding	**200**	**200**

27. Capital expenditure commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Commitments for capital expenditure				
Contracted for	53 786	11 275	53 786	1 452
Authorized but not contracted for	15	166	15	22
	53 801	**11 441**	**53 801**	**1 474**

The capital expenditure will be financed from the Group's resources and existing borrowing facilities.

28. Going concern

28.1 Introduction

The IFRS Conceptual Framework states that going concern is an underlying assumption in the preparation of IFRS financial statements of the Group. The financial statements presume that an entity will continue in operation in the foreseeable future or, if that presumption is not valid, disclosure and a different basis of reporting are required. The Directors believe that as of the date of this report, this presumption is still appropriate and accordingly the financial statements have been prepared on the going concern basis. IAS 1, Preparation of Financial Statements, requires management to make an assessment of the Group's ability to continue as a going concern. To this extent, IAS 1 states that when management is aware, in making its assessment, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, such uncertainties should be disclosed. In conducting this assessment, management have taken into consideration the following factors:

28.1.1 Land acquisition

The full 4 979 hectares of Mkwasine arable land was allocated to private farmers and its value derecognised from the statement of financial position in prior years. Focus continues to be on the restoration of cane production by the private farmers through provision of extension services by the Mkwasine consortium partners, Hippo Valley Estates Limited and Triangle Limited.

In terms of the Land Acquisition Act (Chapter 20:10) and Constitutional Amendment No. 17 of 2005 the ownership of productive land to which the Group and Company have unfettered right of use, totaling 54 205 hectares is now vested in the State. In order to secure its assets and provide certainty of tenure, in February 2019, the Group and Company formally applied to the Government of Zimbabwe, for a 99-year lease on the designated agricultural land under their use, which lease is still to be formalized and finalized. Notwithstanding the derecognition of the land and the absence of a 99-year lease, the Directors are satisfied that the future economic benefits to be derived from the use of the Government acquired land will continue to flow to the Group and Company. Consequently, the Directors believe that the presentation of the financial statements on a going concern basis is still appropriate.

28.1.2 Milling License

The Group's milling license expired in prior years. Applications to renew the license were lodged with the relevant authorities and their response is still awaited. The Directors believe that despite the expired milling licence, and any related matters, the Group is able to continue operating as a going concern. The preparation of the Group's financial statements on a going concern basis is therefore still appropriate.

28.1.3 Impact of COVID-19

Details on the COVID-19 pandemic are set out in note 30. At the time of reporting, the Company has not experienced any major disruptions to its operations with all key activities that include sugar cane maintenance, harvesting, sugar packing and distribution operations progressing satisfactorily. Sugar milling for the season commenced on 5 May 2020 following a successful off-crop program. Although the country has recorded relatively few cases of infection and mortalities at the time of reporting compared to other countries, the trajectory and impacts of COVID-19 are uncertain. As part of its risk mitigation strategy, the Company has developed a robust Business Continuity Plan (BCP) premised on the worst case scenario that the pandemic may take a turn for the worst and that the lockdown period may be extended for most of the season with highly disruptive consequences for the business.

Key considerations that have/are being factored into the "BCP" include:

1. Adequacy of critical supplies for the duration of the lockdown.
   - This was, and remains, particularly relevant considering the requirement of South African based services and supplies for the mill start-up phase and for the rest of the sugar milling season.
   - This requirement has necessitated a close working relationship with procurement teams across the Tongaat Hulett operations in the region to ensure timeous delivery of key supplies particularly in relation to deliveries across borders.
2. Contingency plans to enable certain groups of employees to work from home.
3. Infrastructure requirements including IT hardware and software required to ensure continuity of operations for critical employees working from home.
4. Protocols for closing a site, sanitisation and restart of the site in the event of an employee infection.
5. Financial planning for resources required to address COVID-19 related interventions.
6. Succession and critical skills plans in the event that a significant number of skilled staff are incapacitated by the virus in both the short and long term.
7. Ongoing communication with key stakeholders and contributions to protect local communities from the pandemic. The company benefits from being part of the Tongaat Hulett Group's weekly COVID-19 War Room, which focusses on continuous monitoring of the pandemic and coordinating of updated responses.

Solvency position in light of the effects of COVID-19 and the lockdown order

Due to the special dispensation granted to the Company as an essential service provider, the production and marketing of sugar in the local and export market at the time of reporting is progressing as planned. The demand for sugar in the local market has remained strong. As a result, the Company is adequately funded and is able to meet its working capital requirements.

The worst case scenario as intially anticipated in the BCP is highly unlikely as management believe any negative financial impact of COVID-19 on the Company will be minimal.

In view of the foregoing, the Directors have concluded that the preparation of financial statements on a going concern basis is still appropriate.

29. Financial instruments

29.1 Group risk management

The Group manages its capital to ensure that entities in the Group will be able to continue as a going concern while maximising the return to stakeholders through an appropriate debt and equity balance. The Group's strategy remains relatively unchanged from 2019. The capital structure of the Group consists of debt, which includes borrowings disclosed in note 14, cash and cash equivalents and equity comprising issued share capital, non-distributable reserves and retained earnings as disclosed in the financial statements.

29.1.1 Gearing ratio

The Board reviews the capital structure on an ongoing basis depending on the emerging needs of the Group. The borrowing powers are detailed in note 23. The gearing ratios at end of year are as calculated below.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Debt (i)	20 863	439 200	20 863	56 569
Cash and bank balances	(119 223)	(151 167)	(119 223)	(19 470)
Net (cash) / debt	**(98 360)**	**288 033**	**(98 360)**	**37 099**
Equity (ii)	2 456 987	1 879 421	1 340 540	184 910
Debt plus Equity	2 477 851	2 318 621	1 361 403	241 479
Gearing ratio	**0.84%**	**18.94%**	**1.53%**	**23.43%**
Net debt to equity ratio	**N/A**	**15.33%**	**N/A**	**20.06%**

(i) Debt is defined as long-term and short-term borrowings, as described in note 14.
(ii) Equity includes all capital and reserves of the Group that are managed as capital.

29.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in significant accounting policy note 5 to the financial statements.

29.3 Categories of financial instruments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Financial assets				
Amortised cost				
Cash and cash equivalents	119 223	151 167	119 223	19 470
Financial assets in trade and other receivables	150 563	219 500	138 375	28 272
Total trade and other receivables (note 7)	303 223	482 330	251 692	62 125
Less: Prepayments	(125 810)	(162 965)	(86 467)	(20 990)
VAT	(26 850)	(99 865)	(26 850)	(12 863)
	269 786	**370 667**	**257 598**	**47 742**
Financial liabilities				
Amortised cost				
Trade and other payables (note 11)	324 939	325 423	314 082	41 915
Borrowings (note 14)	20 000	439 200	20 000	56 569
Lease liabilities (note 13)	1 394	-	1 394	-
	346 333	**764 623**	**335 476**	**98 484**

29. Financial instruments (continued)

29.4 Fair value of financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value
The fair values of other financial assets and other financial liabilities are determined in accordance with generally accepted pricing models based on discounted cash flow analysis using prices from observable current market transactions and dealer quotes for similar instruments.

The Group currently does not hold any other forms of financial instruments.

29.5 Financial risk management objectives

The Board through the Audit Committee and in conjunction with relevant senior management manages the financial risks relating to the operations of the Group through internal risk reports which analyse exposures by degree and magnitude of risks. These risks include market risk including currency risk, interest rate risk, credit risk, liquidity risk and cash flow risk as well as ancillary risks such as political risk.

In a rapidly changing environment such as Zimbabwe, these risks are managed on an on-going basis. The Group does not enter into or trade in financial instruments for speculative purposes.

29.6 Market risk

The Group's activities expose it primarily to financial risk of interest rates and changes in foreign currency exchange rates.

29.7 Interest rate risk management

The Group is exposed to interest rate risk as entities in the Group borrow funds at both fixed and floating interest rates. The risk is managed by the Group by maintaining an appropriate mix between fixed and floating rates and where possible borrowing at concessionary rates below that of inflation. Details of the interest rates on the Group's short term liabilities are provided in note 14.

29.7.1 Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities held at the end of the reporting period. For floating rate liabilities, the analysis is prepared assuming the amount of the liability outstanding at the end of the reporting period was outstanding for the whole year. A 1% increase or decrease is used when reporting interest rate risk internally to key management personnel and represents management's assessment of the reasonably possible change in interest rates.

There is no impact on other comprehensive income.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Change by 10%				
Statement of Profit or Loss	316	961	107	79

29. Financial instruments (continued)

29.8 Foreign currency risk management

The Group undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group does not use forward exchange contracts to hedge its foreign currency risk.

The carrying amounts of the Group's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows.

INFLATION ADJUSTED

	Liabilities		Assets	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Great British Pound (GBP)	57	-	-	-
United States Dollar (US$)	10	116 926	58 105	23 424
South African Rand (ZAR)	4 281	145 862	427	202
	4 348	**262 788**	**58 532**	**23 626**

HISTORICAL COST

	Liabilities		Assets	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Great British Pound (GBP)	57	-	-	-
United States Dollar (US$)	10	15 060	58 105	3 017
South African Rand (ZAR)	4 281	18 787	427	26
	4 348	**33 847**	**58 532**	**3 043**

US$ became a foreign currency effective 22 February 2019 (See accounting policy note 2)

29.8.1 Foreign currency sensitivity analysis

The Group is mainly exposed to the currencies of South Africa (ZAR) and the United States of America (US$).

The following table details the Group's sensitivity to a 10% increase and decrease in the ZWL exchange rate against the relevant foreign currencies. 10% is the sensitivity rate used when reporting foreign currency risk internally to key management personnel and represents management's assessment of the reasonably possible change in foreign exchange rates.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year end for a 10% change in foreign currency rates. The sensitivity analysis includes external loans as well as where the denomination of the loan is in a currency other than the ZWL. A positive number below indicates an increase in profit and other equity where the ZWL strengthens by 10% against the relevant currency. For a 10% weakening of the ZWL against the relevant currency, there would be a comparable impact on the profit and other equity, and the balances below would be negative.

INFLATION ADJUSTED	**US$ Impact (Decrease)/Increase**		**ZAR Impact (Decrease)/Increase**	
	31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
Change by 10%				
Statement of comprehensive income	5 810	9 350	385	14 566

29. Financial instruments (continued)

HISTORICAL COST	US$ Impact (Decrease)/Increase		ZAR Impact (Decrease)/Increase	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
Change by 10%				
Statement of comprehensive income	5 810	1 204	385	1 876

29.9 Other price risks

The Group does not have exposure to equity price risk as it does not hold shares in any listed securities. Equity investments are held for strategic rather than trading purposes. The Group does not actively trade in these investments.

29.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. This is managed by a separate marketing arm of the Sugar Industry - Zimbabwe Sugar Sales which largely sells to long established customers. The Group does not have any significant credit risk exposure.

29.11 Liquidity risk management

Ultimate responsibility for liquidity risk management rests with the Board of Directors, which approves the Group's short, medium and long term funding and liquidity management requirements as recommended by management from time to time. The Group manages liquidity risk by maintaining adequate reserves and banking facilities, by continually monitoring forecast and actual cash flows and matching the maturity profiles of financial assets and liabilities.

29.11.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows. To the extent that interest flows are floating rate, the undiscounted amount is derived from interest rate curves at the end of the reporting period.

INFLATION ADJUSTED

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 years ZWL'000	Total ZWL'000
31.03.20						
Non-interest bearing	-	330 549	-	-	-	330 549
Fixed rate loans						
First Capital Bank	30	-	-	20 000	-	20 000
		330 549	**-**	**20 000**	**-**	**350 549**

29. 11 Liquidity currency risk management (continued)

29.11.1 Liquidity and interest risk tables (continued)

INFLATION ADJUSTED

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 years ZWL'000	Total ZWL'000
31.03.19						
Non-interest bearing	-	375 588	-	-	-	375 588
Fixed rate loans						
Stanbic	6.5	-	-	62 551	-	62 551
Triangle Limited	8	-	-	173 131	-	173 131
CBZ Bank	7.5	-	11 147	-	-	11 147
First Capital Bank	7.5	-	-	19 307	-	19 307
First Capital Bank - US$	6.5	-	-	-	116 924	116 924
Banc ABC	6.5	-	56 140	-	-	56 140
		375 588	**67 287**	**254 989**	**116 924**	**814 788**

HISTORICAL COST

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 years ZWL'000	Total ZWL'000
31.03.20						
Non-interest bearing	-	319 692	-	-	-	319 692
Fixed rate loans						
First Capital Bank	30	-	-	20 000	-	20 000
		319 692	**-**	**20 000**	**-**	**339 692**

HISTORICAL COST

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 ears ZWL'000	Total ZWL'000
31.03.19						
Non-interest bearing	-	48 376	-	-	-	48 376
Fixed rate loans						
Stanbic	6.5	-	-	8 057	-	8 057
Triangle Limited	8	-	-	22 299	-	22 299
CBZ Bank	7.5	-	1 436	-	-	1 436
First Capital Bank	7.5	-	-	2 486	-	2 486
First Capital Bank - US$	6.5	-	-	15 060	-	15 060
Banc ABC	6.5	-	7 231	-	-	7 231
		48 376	**8 667**	**47 902**	**-**	**104 945**

29. Financial instruments (continued)

29.11.2 Financial facilities

Unsecured loan facilities with various maturity dates through to 31 March 2020 and which may be extended by mutual agreement.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.20 ZWL'000	31.03.19 ZWL'000	31.03.20 ZWL'000	31.03.19 ZWL'000
First Capital Bank				
- amount used	20 000	136 232	20 000	17 547
- amount unused	-	3 985	-	513
	20 000	**140 217**	**20 000**	**18 060**
Standard Chartered Bank				
- amount used	-	-	-	-
- amount unused	7 200	55 900	7 200	7 200
	7 200	**55 900**	**7 200**	**7 200**
Triangle Limited				
- amount used	-	173 131	-	22 299
	-	**173 131**	**-**	**22 299**
CBZ Bank				
- amount used	-	11 147	-	1 436
- amount unused	7 500	47 082	7 500	6 064
	7 500	**58 229**	**7 500**	**7 500**
CABS				
- amount used	-	-	-	-
- amount unused	-	69 875	-	9 000
	-	**69 875**	**-**	**9 000**
Stanbic Bank				
- amount used	-	62 551	-	8 057
- amount unused	19 500	88 846	19 500	11 443
	19 500	**151 397**	**19 500**	**19 500**
Banc ABC				
- amount used	-	56 140	-	7 231
- amount unused	15 000	60 319	15 000	7 769
	15 000	**116 459**	**15 000**	**15 000**
Total facilities available	**69 200**	**765 208**	**69 200**	**98 559**
Analysed as follows:				
- total amount used	20 000	266 070	20 000	56 569
- total amount unused	49 200	499 138	49 200	41 990

30. Events after reporting date

30.1 Outbreak of COVID-19 Pandemic

On 30 January 2020, the World Health Organisation announced the outbreak of COVID-19 as a world health emergency of international concern, and on 11 March 2020 the outbreak was classified as a global pandemic. In Zimbabwe, a National State of Disaster was declared in response to the pandemic, which created restrictions on travel and mass gatherings among other things in the country. A national lockdown was enforced from 29 March 2020, until 19 April 2020 and was subsequently partially relaxed and then extended indefinitely, subject to reviews after every two weeks.

The outbreak of COVID-19 and the subsequent measures imposed by various Governments in an attempt to contain the spread of the virus, including travel and trade restrictions, social distancing measures and enforced lockdowns have caused disruption to businesses and economic activity in the country. The Government indicated that essential industries and services will need to remain open to support the health sector and to ensure minimal disruption in the supply of critical goods and services. As one of the country's key sugar producers, the Company was designated as an essential service provider and exempted from the lockdown and granted permission to continue operating having taken measures to implement and comply with the minimum health standards as promulgated by the Ministry of Health and Child Care through SI 82 and 83 of 2020.

Outcomes ranging from successful virus containment with a short-term economic impact, to a prolonged global contagion resulting in a potential local or global recession are possible. At the same time, there are a number of policy and fiscal responses emerging across the globe intended to mitigate potential negative economic impacts. The Group is monitoring the COVID-19 outbreak and developments closely. The Group follows guidance from the World Health Organisation and abides by the requirements as activated by local governments. Contingency plans have been implemented as far as possible to mitigate the potential adverse impact on the Group's employees and operations.

Since the COVID-19 pandemic meets the criteria for classification as an adjusting event in accordance with IAS 10, its impact on the Group's financial results was considered in the following areas and notes to the Consolidated Financial Statements:

- Expected credit losses on financial assets (see notes 7.1 and 7.4)
- Impairment of non-financial assets (see note 4.11)
- Going concern (see note 28.1.3)

30.2 Voluntary Mutual Separation

On 11 February 2020 the Company announced a Voluntary Mutual Separation Package (VSP) to all employees with the Company reserving the right and sole discretion to either approve or decline each individual application.

While applications were done in February 2020, the approval of certain VSP applications in April 2020 to create an obligation to pay out the package was a condition that arose after the reporting date. Such approval and obligation did not exist as at 31 March 2020. The transaction is therefore a non-adjusting event.

31. Company information

The Company information has not all been shown in the notes to the financial statements as the difference in the balances of line items between the Group and the Company results is qualitatively immaterial and would result in duplication of a significant number of the notes. The Company statement of financial position, statement of profit or loss and other comprehensive income, cash flow statement and statement of changes in equity have been included on pages 95 to 98. Consequently the directors believe that the Group financial statements comply with the Companies Act (Chapter 24:03) in all material respects.

31.1 The Group financial statements differ from those of the Company on the following elements

	31.03.20			31.03.19		
INFLATION ADJUSTED	**Group ZWL'000**	**Company ZWL'000**	**Difference ZWL'000**	**Group ZWL'000**	**Company ZWL'000**	**Difference ZWL'000**
Net assets						
Investment in associate companies (i)	66 757	27 560	39 197	55 066	21 734	33 332
Inventories - stores (ii)	160 380	160 370	10	193 681	193 605	76
Accounts receivable - other (iii)	163 058	163 119	(61)	314 895	315 204	(309)
Deferred tax liabilities (iv)	(652 006)	(630 958)	(21 048)	(506 212)	(500 567)	(5 645)
Net difference			**18 098**			**27 454**
Equity						
Profit for the year (v)	758 405	736 356	22 049	551 045	555 882	(4 837)
Retained earnings at beginning of the year (vi)	1 691 873	1 675 684	16 189	1 217 020	1 195 994	21 026
Non-distributable reserves (vii)	(39 207)	(19 067)	(20 140)	(7 802)	(19 067)	11 265
Net difference			**18 098**			**27 454**

HISTORICAL COST	31.03.20 Group ZWL'000	31.03.20 Company ZWL'000	31.03.20 Difference ZWL'000	31.03.19 Group ZWL'000	31.03.19 Company ZWL'000	31.03.19 Difference ZWL'000
Net assets						
Investment in associate companies (i)	48 741	1 718	47 023	7 092	1 718	5 374
Inventories - stores (ii)	134 714	134 705	9	23 097	23 088	9
Accounts receivable - other (iii)	111 527	111 568	(41)	43 187	43 229	(42)
Deferred tax liabilities (iv)	(342 174)	(334 694)	(7 480)	(48 451)	(47 720)	(731)
Net difference			**39 511**			**4 610**
Equity						
Profit for the year (v)	1 178 287	1 168 623	9 664	73 776	74 134	(358)
Retained earnings at beginning of the year (vi)	115 957	114 064	1 893	48 567	46 316	2 251
Non-distributable reserves (vii)	78 748	50 794	27 954	53 511	50 794	2 717
Net difference			**39 511**			**4 610**

Summary of the differences between Group and Company

Net Assets

(i) The difference is due to post acquisition profits from associates (Tongaat Hulett Botswana and NCPDZ).
(ii) The difference is due to Chiredzi Township inventory.
(iii) The difference is due to Chiredzi Township debt for water purification charges.
(iv) The difference is due to deferred tax on foreign associate (Tongaat Hulett Botswana).

Equity

(v) The difference is due to the current year profits from associates (Tongaat Hulett Botswana and NCPDZ).
(vi) The difference is due to retained profits from associates (Tongaat Hulett Botswana and NCPDZ).
(vii) The difference is due to revaluation of original investment and post acquisition profits from associate (Tongaat Hulett Botswana and NCPDZ).

31.2 The Group statement of cash flows differs from that of the Company on the following elements

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Group cash generated from operations	594 037	331 803	468 394	37 211
Add Chiredzi Township loss	-	-	3	3
Add Tongaat Hulett Botswana dividend	32 496	21 027	10 415	1 942
Stock and receivables movement	52	234	30	-
Company cash generated from operations	**626 585**	**353 064**	**478 842**	**39 156**
Group changes in working capital	28 175	38 723	(232 475)	(19 287)
Stock movement	10	76	9	9
Receivables	(62)	(309)	-	-
Creditors movement	-	-	(42)	(13)
Company changes in working capital	**28 123**	**38 490**	**(232 508)**	**(19 290)**

Company Statement of Financial Position

As at 31 March 2020

		INFLATION ADJUSTED		HISTORICAL COST*	
		31.03.20 ZWL'000	**31.03.19 ZWL'000**	**31.03.20 ZWL'000**	**31.03.19 ZWL'000**
ASSETS	**Notes**				
Non-current assets		**1 508 228**	**1 629 968**	**167 838**	**136 799**
Property, plant and equipment	4.3	1 423 612	1 528 785	139 490	126 517
Intangible assets	4.6	33 130	35 275	2 704	2 874
Investments in associate companies	31.1	27 560	21 734	1 718	1 718
Long term receivable	7.3	22 549	44 174	22 549	5 690
Right-of-use assets	4.7	1 377	-	1 377	-
Current assets		**2 065 312**	**1 692 487**	**1 960 721**	**216 148**
Biological assets	6	1 204 901	719 506	1 204 901	92 673
Inventories - stores	31.1	160 370	193 605	134 705	23 088
- sugar	8	277 534	145 570	250 159	18 750
Accounts receivable - trade	7.1	140 165	167 435	140 165	18 938
- other	31.1	163 119	315 204	111 568	43 229
Current tax asset		-	-	-	-
Cash and cash equivalents		119 223	151 167	119 223	19 470
Total assets		**3 573 540**	**3 322 455**	**2 128 559**	**352 947**
EQUITY AND LIABILITIES					
Capital and reserves		**2 438 889**	**1 851 967**	**1 301 029**	**180 300**
Issued capital	9.1	195 350	195 350	15 442	15 442
Non-distributable reserve	31.1	(19 067)	(19 067)	50 794	50 794
Retained earnings		2 262 606	1 675 684	1 234 793	114 064
Non-current liabilities		**704 316**	**564 709**	**408 052**	**55 982**
Deferred tax liabilities	31.1	630 958	500 567	334 694	47 720
Provisions	12.1	72 495	64 142	72 495	8 262
Lease liability	13	863	-	863	-
Current liabilities		**430 335**	**905 779**	**419 478**	**116 665**
Trade and other payables	11	346 079	375 588	335 222	48 376
Leave pay provision	12.2	3 641	24 842	3 641	3 200
Borrowings	14.1	20 000	439 200	20 000	56 569
Current tax liability		60 084	55 324	60 084	7 126
Dividend payable	19	-	10 825	-	1 394
Lease Liability	13	531	-	531	-
Total equity and liabilities		**3 573 540**	**3 322 455**	**2 128 559**	**352 947**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2020

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.19 ZWL'000
Revenue		3 672 042	2 522 540	1 682 340	244 890
Fair value gain on biological assets	6	485 395	253 622	1 112 228	55 847
Turnover		**4 157 437**	**2 776 162**	**2 794 568**	**300 737**
Cost of sales	15	(1 230 978)	(1 491 070)	(661 744)	(143 781)
Gross profit		**2 926 459**	**1 285 092**	**2 132 824**	**156 956**
Marketing and selling expenses	15	(597 230)	(409 232)	(270 209)	(40 782)
Administrative and other expenses		(483 066)	(301 167)	(252 440)	(30 515)
Net impairment reversal		-	347 252	-	32 625
Other operating loss		(283 946)	(15 179)	(36 652)	(4 668)
Operating profit		**1 562 217**	**906 766**	**1 573 523**	**113 616**
Dividends received		32 496	21 027	10 415	1 941
Net monetary loss		(434 400)	(74 705)	-	-
Net finance charges	16	(30 370)	(85 852)	(10 161)	(6 708)
Interest paid-loans		(31 574)	(96 057)	(10 745)	(7 793)
Interest received		1 204	10 205	584	1 085
Profit before tax		**1 129 943**	**767 236**	**1 573 777**	**108 849**
Income tax expense		(393 587)	(211 354)	(405 154)	(34 715)
Profit for the year		**736 356**	**555 882**	**1 168 623**	**74 134**
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss					
- Actuarial loss on post retirement provision		(149 434)	(27 355)	(47 894)	(2 526)
Total comprehensive income for the year		**586 922**	**528 527**	**1 120 729**	**71 608**
Basic and diluted earnings per share (ZWL cents)		382	288	605	38

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company Statement of Changes in Equity

For the year ended 31 March 2020

INFLATION ADJUSTED

	Issued share capital ZWL'000	Non-distributable reserves ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2018	**195 350**	**(19 067)**	**1 195 994**	**1 372 277**
Comprehensive income for the year	-	-	528 527	528 527
Profit for the year	-	-	555 882	555 882
Other comprehensive loss	-	-	(27 355)	(27 355)
Dividend	-	-	(48 837)	(48 837)
Balance at 31 March 2019	**195 350**	**(19 067)**	**1 675 684**	**1 851 967**
Comprehensive income for the year	-	-	586 922	586 922
Profit for the year	-	-	736 356	736 356
Other comprehensive loss	-	-	(149 434)	(149 434)
Balance at 31 March 2020	**195 350**	**(19 067)**	**2 262 606**	**2 438 889**

HISTORICAL COST*

	Issued share capital ZWL'000	Non-distributable reserves ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2018	**15 442**	**50 794**	**46 316**	**112 552**
Comprehensive income for the year	-	-	71 608	71 608
Profit for the year	-	-	74 134	74 134
Other comprehensive loss	-	-	(2 526)	(2 526)
Dividend	-	-	(3 860)	(3 860)
Balance at 31 March 2019	**15 442**	**50 794**	**114 064**	**180 300**
Comprehensive income for the year	-	-	1 120 729	1 120 729
Profit for the year	-	-	1 168 623	1 168 623
Other comprehensive loss	-	-	(47 894)	(47 894)
Balance at 31 March 2020	**15 442**	**50 794**	**1 234 793**	**1 301 029**

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Company Statement of Cash Flows

For the year ended 31 March 2020

	Notes	INFLATION ADJUSTED Year ended 31.03.20 ZWL'000	INFLATION ADJUSTED Year ended 31.03.19 ZWL'000	HISTORICAL COST* Year ended 31.03.20 ZWL'000	HISTORICAL COST* Year ended 31.03.19 ZWL'000
Cash flows from operating activities					
Cash generated from operations	31	626 585	353 064	478 842	39 156
Changes in working capital	31	28 123	38 490	(232 508)	(16 148)
Net cash generated from operations		**654 708**	**391 554**	**246 334**	**23 008**
Net finance charges paid		(28 811)	(38 938)	(9 752)	(6 708)
Interest paid-loans		(29 992)	(41 639)	(10 319)	(7 793)
Interest received		1 181	2 701	567	1 085
Tax paid		(215 011)	(51 955)	(49 492)	(7 017)
Net cash inflow from operating activities		**410 886**	**300 661**	**187 090**	**9 283**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		(46 648)	(109 601)	(27 079)	(9 818)
- Other property, plant, equipment and intangible assets		(5 502)	(54 786)	(2 901)	(5 101)
- Cane roots		(39 560)	(54 815)	(22 592)	(4 717)
- Initial adoption of IFRS 16		(1 586)	-	(1 586)	-
Movement in non current financial asset		21 625	27 805	(16 859)	-
Proceeds on disposal of property, plant, equipment and intangible assets	20.3	-	274	-	35
Net cash outflow from investing activities		**(25 023)**	**(81 522)**	**(43 938)**	**(9 783)**
Net cash inflow/(outflow) before financing activities		**385 862**	**219 139**	**143 152**	**(500)**
Cash flows from financing activities					
Proceeds from trade finance		-	-	-	-
Proceeds from borrowings		141 269	981 935	45 277	76 376
Repayment of trade finance		-	-	-	(30 150)
Repayment of borrowings		(560 470)	(1 118 336)	(90 070)	(32 092)
Dividend paid	19	-	(48 375)	-	(3 397)
Lease financing		1 394	-	1 394	-
Net cash (outflow)/inflow from financing activities		**(417 807)**	**(184 776)**	**(43 399)**	**10 737**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		19 470	9 233	19 470	9 233
Net cash inflow from operating activities		410 886	300 661	187 090	9 283
Net cash outflow from investing activities		(25 023)	(81 522)	(43 938)	(9 783)
Net cash (outflow)/inflow from financing activities		(417 807)	(184 776)	(43 399)	10 737
Inflation effects on cash and cash equivalent		131 697	107 571	-	-
Cash and cash equivalents at end of year		**119 223**	**151 167**	**119 223**	**19 470**
Comprising of:		**119 223**	**151 167**	**119 223**	**19 470**
Cash at bank		119 156	151 058	119 156	19 456
Cash on hand		67	109	67	14

* IAS 29 discourages the publication of historical results as the inflation adjusted results are the primary records. However, the historical cost results are included as supplementary information to allow for some user requirements. As a result, the auditors have not expressed an opinion on this historical information.

Definition of Terms

Capital employed
Total capital and reserves plus long-term borrowings.

Current ratio
Current assets divided by current liabilities.

Gearing ratio
Interest bearing debt less cash and bank balances divided by total share capital and reserves.

Earnings per share
Profit for the year divided by the weighted average number of shares in issue at year-end.

Interest cover
Operating profit divided by interest payable.

Market capitalisation
Number of shares in issue at year-end multiplied by the closing price per share.

Net asset value
Total assets minus total liabilities excluding deferred taxation.

Net asset value per share
Net asset value divided by the number of shares in issue at year-end.

Net worth per share
Total capital and reserves divided by the number of shares in issue at year-end.

Operating profit
Profit before interest, dividends received, taxation and share of associate companies' profits.

Return on total capital and reserves
Profit for the year expressed as a percentage of total share capital and reserves.

Shareholders' funds
Issued share capital, share premium, capital reserve, revenue reserves and proposed dividend.

Total liabilities
Long-term borrowings and current liabilities excluding deferred taxation.

Analysis of Shareholders

As at 31 March 2020

	Shareholders		Shares	
	Number	**%**	**Number**	**%**
Shareholders registered with Zimbabwean addresses	933	65.52	166 235 133	86.12
Shareholders registered with external addresses	491	34.48	26 785 431	13.88
	1 424	**100.00**	**193 020 564**	**100.00**
Shares held by:				
Individuals	930	65.33	9 634 790	4.99
Pension funds and insurance companies	225	15.79	59 068 585	30.60
Other corporate bodies	269	18.88	124 317 189	64.41
	1 424	**100.00**	**193 020 564**	**100.00**

Ten largest shareholders as at 31 March 2020

		Number of shares	%
1	Triangle Sugar Corporation Limited	97 124 027	50.32
2	Old Mutual Life Assurance Company Zimbabwe Limited	26 564 963	13.76
3	Tate & Lyle Holland B.V.	19 314 480	10.01
4	National Social Security Authority	11 268 323	5.84
5	Stanbic Nominees (Private) Limited –NNR	8 630 962	4.47
6	Mining Industry Pension Fund	2 825 023	1.46
7	Old Mutual Zimbabwe Limited Strategic Trapped Fund	2 018 185	1.05
8	Standard Chartered Nominees (Private) Limited	1 463 833	0.76
9	Hippo Valley Estate Pension Fund, via Datvest.	812 628	0.42
10	Lagesse Family	797 926	0.41
		170 820 350	**88.50**

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