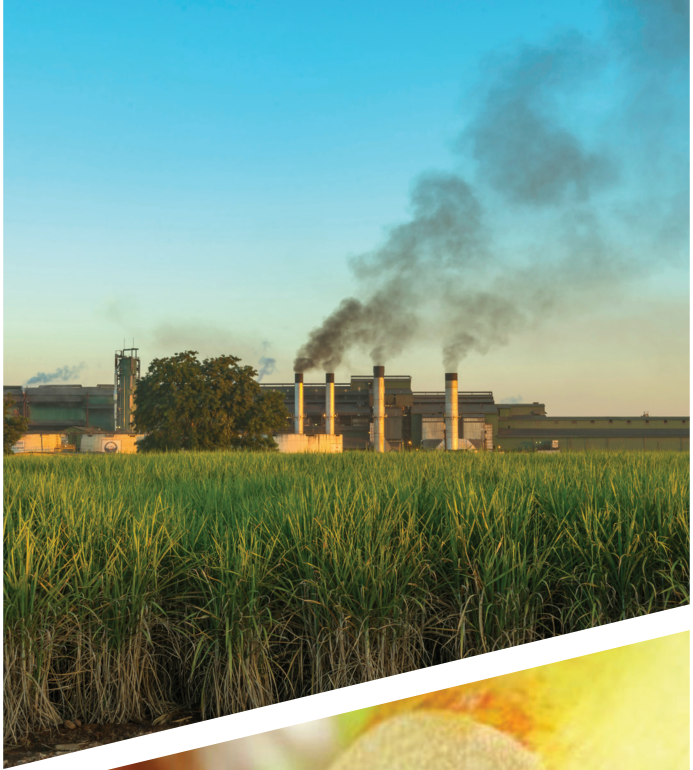
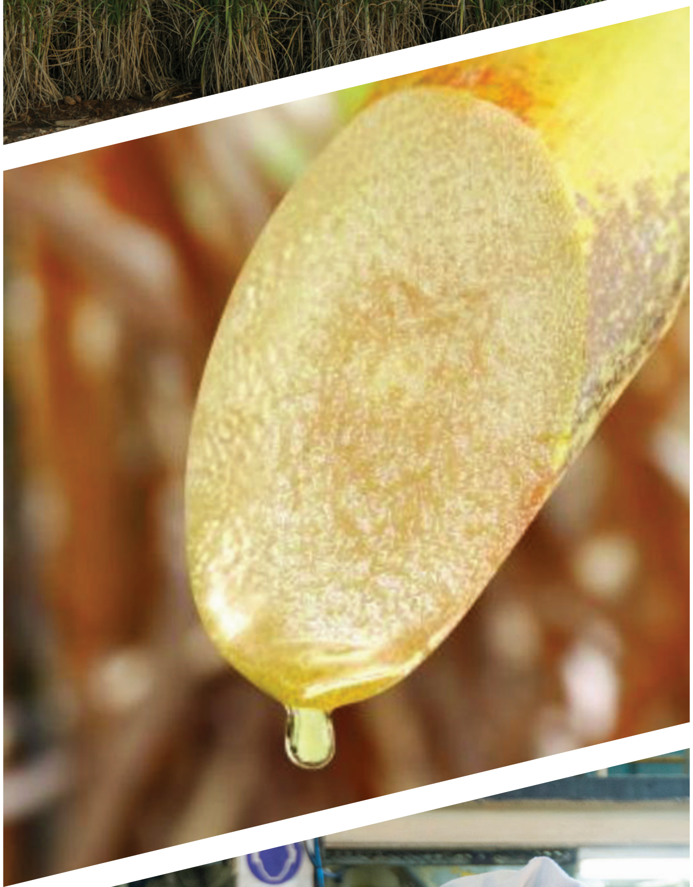




ANNUAL REPORT 2021

Est. 1892

TongaatHulett®

HIPPO VALLEY ESTATES LIMITED

Vision
To be the most trusted partner in all that we do

Mission
Build our future by creating sustainable value for all our stakeholders

Build capability
in our people and processes

Drive efficiencies
within our business to truly leverage our asset base

Rightsize and fix
the fundamentals of our business

Create a platform
for sustainable and profitable growth

We succeed through excellence and innovation

We grow and win in teams

We take accountability

Integrity and ethics guide our way

We care and do our best

Safely home every day

Est. 1892
TongaatHulett
Hippo Valley Estates Limited

Contents

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

Directorate, Management and Administration

Directorate

		Board attendance (6 meetings)	Audit Committee attendance (4 meetings)	Remuneration and Nominations Committee attendance (3 meetings)	Risk Management Committee attendance (Nil meetings)
C F Dube (appointed on 01.08.20 as NED and 01.05.21 as Chair)#	Independent Non-Executive Chairman	3	-	-	-
D L Marokane (resigned 30.04.21)^	Non-Executive Chairman	6	-	3	-
R D Aitken*	Non-Executive Director	6	4	-	-
S Harvey^#	Non-Executive Director	6	-	3	-
A Mhere#	Chief Executive Officer	6	-	-	-
L R Bruce*	Independent Non-Executive Director	6	4	-	-
O H Manasah#	Finance Director	6	-	-	-
N Kudenga*	Independent Non-Executive Director	6	4	-	-
J P Maposa^	Independent Non-Executive Director	6	-	3	-
J G Hudson# (appointed on 01.08.20)	Non-Executive Director	3	-	-	-
R J Moyo^ (appointed on 01.08.20)	Independent Non-Executive Director	2	-	-	-
G Sweto^ (appointed on 01.08.20)	Independent Non-Executive Director	3	-	-	-
R M Goetzsche (appointed on 17.02.21)	Non-Executive Director	1	-	-	-

* Member of the Audit Committee
^ Member of the Remuneration and Nominations Committee
# Member of the Risk Management Committee

Management and Administration

Senior Management

Chief Operating Officer (appointed 01.05.21)	J Bowmaker
Acting General Manager - Agriculture Operations (appointed 12.07.21)	N Maisiri
General Manager - Manufacturing Operations	A Mugadhi
General Manager - Industry Affairs and Business Development	U Chinhuru
Human Resources Executive	B Chimbera
Supply Chain Executive	W Jemwa
Business Assurance Executive	E Madziva
Legal Counsel and Company Secretary	P Kadembo
Logistics and Planning Manager (appointed 01.05.21)	E Battista
Corporate Medical Officer	T A Mukwewa

Registered Office
Hippo Valley Estates
P O Box 1
Chiredzi

Company Secretary
Telephone : +263 231 231 5151/6
Email : companysecretary@hippo.co.zw
Website : www.tongaat.com/hippo-valley-estates

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)

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

Consolidated Financial Summary

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Revenue	16 752 409	12 505 176	12 854 238	1 682 340
Operating profit	3 804 921	5 320 152	5 389 499	1 573 521
Profit before tax	2 181 461	3 923 121	5 694 850	1 583 441
Profit for the year	1 125 717	2 582 757	4 220 783	1 178 287
Adjusted EBITDA*	5 336 072	4 186 331	3 607 825	474 062
Net cash generated from operations	3 288 968	2 012 774	3 802 316	235 919
Net cash inflow from operating activities	1 183 719	626 304	1 208 226	176 675
Capital expenditure	365 288	158 860	252 124	27 079
Net asset value	10 616 538	10 587 709	5 936 598	1 682 714
Market capitalisation at year end	28 247 961	2 582 757	28 247 961	1 038 541
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	583	1 338	2 187	610
Net asset value per share	5 500	5 485	3 076	872
Price per share at year end	14 635	1 832	14 635	538

*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:

	2016/17	2017/18	2018/19	2019/20	2020/21
Sugar and molasses production (tons)					
Total sugar production	228 683	197 217	238 965	212 004	204 384
Molasses production	64 673	51 024	64 390	60 873	59 115
Sugar Sales (tons)					
Total industry sugar sales	419 000	407 000	483 000	413 000	440 000
Local market	301 000	349 000	371 000	324 000	325 000
Export market	118 000	58 000	112 000	89 000	115 000
Hippo Valley Estates Sharing Ratio	50.39%	50.31%	52.67%	48.03%	49.98%
Area under cane at year end (hectares)					
Hippo Valley Estates	12 603	12 708	10 941	10 590	10 246
Private farmers	9 483	10 023	10 907	11 747	11 937
	22 086	**22 731**	**21 848**	**22 337**	**22 183**
Area harvested for milling (hectares)					
Hippo Valley Estates	12 137	11 222	9 806	9 440	10 024
Private farmers	9 613	9 345	11 045	10 581	10 011
	21 750	**20 567**	**20 851**	**20 021**	**20 035**
Sugarcane harvested for milling (tons)					
Hippo Valley Estates	1 028 973	875 305	1 068 164	1 008 870	1 043 774
Private farmers	700 730	659 100	730 039	687 472	592 722
Diversions from Triangle and Green fuel	-	-	63 829	-	55 439
Total cane milled at Hippo Valley Estates	**1 729 703**	**1 534 405**	**1 862 032**	**1 696 342**	**1 691 935**
Sugarcane yield per hectare (tons)					
Hippo Valley Estates	84.78	78.00	108.93	106.87	104.12
Private farmers	72.90	70.60	67.80	69.00	59.00
Mill performance					
Season started	17-May-16	30-May-17	08-May-18	07-May-19	05-May-20
Season completed	24-Dec-16	16-Dec-17	29-Dec-18	18-Dec-19	30-Dec-20
Number of crushing days	221	200	235	225	239
Throughput – tons cane per hour	348.92	336.14	419.22	335.76	330.95
Extraction (%)	96.96	97.06	96.49	96.84	96.27
Boiling house recovery (%)	89.91	90.85	90.48	90.40	90.58
Overall recovery (%)	87.18	88.18	87.30	87.54	87.20
Cane to sugar ratio	7.6	7.8	7.8	8.0	8.3

CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW FOR YEAR ENDED 31 MARCH 2021

SALIENT FEATURES (INFLATION ADJUSTED)

- Sugar production of 204 384 tons (2020: 212 004 tons) -4%
- Total industry sugar sales of 440 000 tons (2020: 413 000 tons) +7%
- Hippo share of industry sugar sales 50.0% (2020: 48.0%) +2%
- Revenue of ZWL16.8 billion (2020: ZWL12.5 billion) +34%
- Operating profit of ZWL3.8 billion (2020: ZWL5.3 billion) -28%
- Adjusted EBITDA* of ZWL5.3 billion (2020: ZWL4.2 billion) +26%
- Profit for the year of ZWL1.1 billion (2020: ZWL2.6 billion) -58%

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

Operating Environment

There was a relative slowdown of inflation over the current year compared to prior year. This was attributable to the introduction of the foreign currency auction system which improved business confidence during the last half of the financial year, with year-on-year inflation decelerating to 241% in March 2021, compared to 676% in the prior year. The return to the multi-currency system on the local market in March 2020 led to increased foreign currency into the formal market, and improved the ability of industry to generate free funds to meet offshore obligations.

Covid-19 Update

The emergence of the Covid-19 pandemic and resultant movement restrictions led to significant disruptions to business activity in key economic sectors. However, there were minimal interruptions to the Company's key operations as the Company, together with the rest of the sugar industry, was classified as an essential service. In addition, the Company has put in place a robust Business Continuity Plan and continues to implement established Covid-19 preventive and reactive protocols, whilst at the same time strengthening its already established internal health service delivery system to mitigate the negative impact of any future waves of the pandemic. The Company continues to prioritise the health and wellbeing of its employees, business partners, surrounding communities and other stakeholders. In order to complement Government efforts, the Company and Triangle Limited (together referred to as Tongaat Hulett Zimbabwe), launched a self-financed vaccination program aimed at protecting its workforce and community members. As at 31 May 2021, over 3 800 employees and community members had been vaccinated. Operationally, the Company managed to successfully mitigate the Covid-19 induced logistical and procurement inefficiencies, resulting in the resumption of the sugar milling season in mid-April 2021 as scheduled.

Cane and sugar production (tons) for the year ended 31 March 2021

	2021	2020	% Change
Tons cane harvested – Company	1 043 774	1 008 870	+3%
Tons cane harvested – Private farmers	592 722	687 472	-14%
Other third-party cane	55 439	-	100%
Total tons cane milled – Company	1 691 935	1 696 342	0%
Tons sugar produced – Company	204 384	212 004	-4%
Tons sugar produced – Industry Total	408 260	441 416	-8%

Overall cane deliveries from the Company's plantations (miller-cum-planter) and private farmers were impacted by irrigation power challenges and the dry spell experienced during the 2019/20 peak growing period of October 2019 to March 2020. The wet spell in December 2020 interrupted the harvesting programme resulting in a total of 555 hectares for both the Company and private farmers being carried over for harvest in the 2021/22 production season. Whilst the drop in cane from traditional industry sources was compensated for by cane sourced from a third party, sugar production reduced by 4% on the back of lower than expected mill efficiencies and inclement weather conditions (incessant rains) which impacted cane quality. Steps were taken during the January to April 2021 off-crop period to overhaul the mill to ensure improved performance in the 2021/22 production year, whilst solar projects to augment electricity supply at critical water pumping installations are under consideration.

Marketing Performance

The Zimbabwe sugar industry has a single marketing desk at brown sugar level, administered by Zimbabwe Sugar Sales (ZSS). The Company's share of total industry sugar sales volume of 440 000 tons (2020: 413 000 tons) for the year under review was 50.0% (2020: 48.0%). Total industry sugar sales into the domestic market for the year of 325 000 tons (2020: 324 000 tons) were marginally above prior year, having recovered from low sales during the first quarter of the financial year on account of then existing economic distortions. Demand in the local market remained firm despite the Covid-19 induced low disposable incomes. Industry export sales for the year recorded a 29% growth to 115 000 tons (2020: 89 000 tons) driven largely by a growth in the Kenya market despite a temporary suspension of sugar imports into that market in June 2020. Price realisations on both the local and export markets remained relatively constant in current purchasing power terms.

Financial Results

The financial results of the Group have been inflation adjusted to comply with the requirements of IAS 29. Historical financial statements for the financial year and comparative numbers for the corresponding prior year have been disclosed as supplementary information alongside the inflation adjusted financial results. This financial commentary is based on the inflation-adjusted numbers. In complying with the requirements of IAS 29, the Board applied, where appropriate, necessary judgements and assumptions with due care. However, users are cautioned that in hyperinflationary environments, certain inherent economic distortions may influence the outturn of financial results.

Total revenue for the year increased by 34% to ZWL16.8 billion (2020: ZWL12.5 billion), largely due to the increased export volumes. Operating profit and profit for the year decreased by 28% to ZWL3.8 billion (2020: ZWL5.3 billion) and by 58% to ZWL1.1 billion (ZWL2.6 billion) respectively, weighed down by a fair value loss on biological assets of ZWL1.1 billion (2020: gain of ZWL1.7 billion). This was due to a drop in forecast cane price at current purchasing power from prior year. However, excluding the non-cash impact of biological asset valuations, depreciation and amortisation, adjusted EBITDA improved by 26% as the Company benefited from prudent management of costs and the positive impact of forward purchasing of key inputs in a hyperinflationary environment.

Net cash inflow from operating activities was ZWL1.2 billion (2020: ZWL0.6 billion) driven by the improved adjusted EBITDA partially offset largely by an increase in tax paid. Capital expenditure totalled ZWL365 million (2020: ZWL159 million) of which ZWL225 million (2020: ZWL135 million) was invested in replanting cane roots. As at 31 March 2021, the Group had a net cash balance of ZWL886 million compared to a net cash balance of ZWL406 million in the previous corresponding year.

The effective tax rate on the inflation adjusted accounts was 48.40% (2020: 34.17%), impacted by the net monetary loss of ZWL1.9 billion (2020: ZWL1.5 billion), that was treated as a permanent difference for income tax purposes.

Dividend

The Board declared and paid an interim dividend of ZWL121 cents per share during the year ended 31 March 2021. In view of the Company's positive financial performance for the year ended 31 March 2021, the Board has declared a final dividend of ZWL124 cents per share for the year ended 31 March 2021 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full on or around 15 July 2021 to all Shareholders of the Company registered at the close of business on 9 July 2021.

Environmental, Social & Governance

A total of 4 (2020: 5) Lost Time Injuries were recorded during the year, resulting in an improved Lost Time Injury Frequency Rate of 0.036 (2020: 0.048). Gratefully, no fatalities (2020: nil) were recorded during the year. Safety and sustainability improvement initiatives continue to be implemented on an on-going basis to ensure a safe working environment for all employees as well as the ultimate achievement of world class standards on environmental stewardship.

The Company continues to develop and implement mutually beneficial and collaborative initiatives with Government and local communities to improve the quality of life of its employees and the surrounding communities at large. Over the year under review, Tongaat Hulett Zimbabwe donated over US$2.9 million worth of essential goods and materials towards Covid-19 mitigation initiatives to local communities. The Company remains on the path of strengthening its governance structures at all levels of the business. Key milestones in this regard over the past year include, changes to Board structures in line with good corporate governance, appointment of new senior executives to key governance roles and strengthening of policies and procedures within the business aligning to best practice.

Projects and initiatives

Work on the 4 000 hectare cane development project (Project Kilimanjaro) being undertaken by Tongaat Hulett Zimbabwe in partnership with Government and local banks, has seen a total of 2 700 hectares of virgin land bush-cleared and ripped, and 562 hectares planted to sugarcane. As previously reported, project works were slowed down on account of delays in obtaining the requisite funding from financial institutions pending further clarity on land tenure, both of which are being progressed. To ensure productive use of the cleared land in the interim, 76 hectares and 750 hectares were put to maize and sorghum respectively, and an additional 902 hectares of maize was planted on Company fallow cane land as a break crop. This resulted in the benefit of maximising land use and further improving food security. The Company is committed to continue partnering with Government in food security initiatives on an annual basis.

Over and above the on-going inputs and extension support to private farmers, the Company has initiated various vertical and horizontal sugarcane growth programs over the past financial year. A partnership framework whereby Tongaat Hulett Zimbabwe is co-managing certain underperforming out-grower farms is progressing satisfactorily. The Company is also providing financial and technical assistance to a number of new sugarcane out-grower development projects with work on 'Pezulu' Project measuring 1 168 hectares having started. Other growth projects, with potential for an additional 11 000 hectares for the benefit of out-growers are under consideration over the next five years.

Land tenure and milling license

The Government has since assured the Company that it will be granted security of tenure by way of a 99 year lease on Hippo Valley North (23 979 hectares), whilst maintaining freehold title on Hippo Valley South (16 433 hectares). Provisionally, an institutional offer letter was issued by Government, whilst the requisite physical planning and administrative processes are nearing completion, paving way for the issuance of the 99 year lease. The Company has also had its sugar milling license renewed for another twenty year period ending December 2040. These positive actions from Government provide further confidence and stability to the operations.

Directorate

The Company has over the past year appointed five non-executive Directors: Mr C F Dube, Mr G Sweto, Mr R J Moyo, Mr J G Hudson, Mr R M Goetzsche and a new Finance Director Mr O H Manasah. In April 2021, Mr D L Marokane resigned as Chairman and Board member, paving way for the appointment of Mr C F Dube as the new Independent Chairman. The Board extends its gratitude to Mr D L Marokane for his valuable contribution and leadership during his term of office.

Outlook

Following an above normal rainfall season experienced from December 2020 to April 2021, Tugwi-Mukosi Dam spilled for the very first time in January 2021, whilst Lake Mtirikwi accumulated 97.8% and all the other dams providing irrigation water to the sugar industry recorded 100% of capacity, thus providing adequate water to cover the industry for at least three more seasons at normal water duty. The total production for the sugar industry for the forthcoming 2021/22 production season is forecast to increase marginally on the back of projected improvements in yields, cane quality and milling efficiencies.

Marketing focus is on maximising local market requirements with residual stocks being allocated to regional and international premium markets to generate additional foreign currency for the Company and the nation. In the medium to long-term, the Company is considering various diversification initiatives in order to increase the contribution of its non-sugar business.

By Order of the Board

C F Dube
Chairman

A Mhere
Chief Executive Officer

25 June 2021

This report provides an overview of sustainability matters and initiatives within the Company.

Covid-19

The World Health Organization (WHO) announced that the Covid-19 viral outbreak was officially a pandemic on 11 March 2020. In early March 2020, the focal point of infections shifted from China to Europe, but by April 2020, the focus had shifted to the United States. Since then, the pandemic has evolved into a global public health crisis that has affected the whole world.

A year later, the Covid-19 pandemic had as of 31 March 2021 caused 128 million infections and 1.5 million deaths globally. The pandemic has put immense pressure on already weak health care systems and challenged governments to relook at health sector resourcing.

In Zimbabwe as at 30 March 2021, a total 36 665 cases and 1 553 deaths had been reported. Within the Company operations 271 cases had been reported by the same date, with the bulk of cases being detected during the second wave between December 2020 and February 2021.

As a response to the various phases of the health crisis, Governments adopted unprecedented lock down and other regulatory measures to curtail social and non-essential economic activities to contain the spread of the pandemic. These restrictions had significant negative impacts on industry due to the disruption of supply chains, reduced production activities and subsequent decline in revenue generation in many economic sectors.

While the sugar industry was classified as an essential service exempt from most restrictions, the Company experienced some limited supply chain disruptions. The Company has a robust Business Continuity Plan (BCP) which was activated to mitigate attendant risks through:

- Establishing a Covid-19 Task Team to coordinate the Company's response efforts;
- Ensuring adequacy of critical supplies during the various lock down periods;
- Special focus on core technical skills planning to ensure business continuity and minimise the risk of infection;
- Capacitating critical employees to work remotely;
- Response and communication protocols in the event of an employee infection;
- Financial impact monitoring and control;
- Succession planning in the event that critical staff are incapacitated by the virus; and
- Stakeholder engagement, communication and support.

The BBA and the Aerosol box being demonstrated.

The Company and Triangle Limited, together referred to as Tongaat Hulett Zimbabwe (THZ), conducted a comprehensive Covid-19 risk assessment, as well as developing comprehensive programs to strengthen health services on a long-term basis. These activities involved an investment of over US$3.3 million in the fight against Covid-19. Some of the initiatives adopted to address the Covid-19 pandemic include:

- Adopting best practice protocols for the screening and prevention of Covid-19 at the workplace. This included provision of face masks and personal sanitisers to every employee;
- Providing frontline workers (health, security, hospitality) with appropriate equipment and personal protective equipment (PPE), as well as on-going health surveillance;
- Setting up community quarantine centres and equipping a dedicated Covid-19 isolation unit at Colin Saunders Hospital;
- Procuring a PCR testing machine to service employees and the community;
- Setting up a bulk oxygen facility at Colin Saunders Hospital to provide therapeutic oxygen to Covid-19 patients;
- Development of a low-cost Bucket Breathing Aid (BBA) and an Aerosol box to protect medical staff from infection;
- Improving potable water in the community through a new water purification plant;
- Provision of water storage facilities for its employees across the estates and schools;
- Assistance with preparedness in the running of 22 local community schools;
- Provision of PPE to community clinics and Ports of Entry;
- Assisting the Government in setting up 7 isolation units in Masvingo Province and equipping the Masvingo Provincial Hospital ICU;
- Capacitating Chiredzi Hospital through the establishment of an isolation ward, supply of ventilators, provision of PPE, addressing water, sanitation and health (WASH) issues and supply of medical equipment; and
- A donation of 300 000 litres of ethanol to the Government of Zimbabwe for sanitizer manufacture, for the benefit of under privileged communities.

Tongaat Hulett Sugar MD, Mr Simon Harvey, together with Hippo Valley Estates Limited CEO, Mr Aiden Mhere, touring the Covid isolation centre and Bulk Oxygen Project on 18th November 2020.

Covid Fitness to Work

A Fitness to Work certification exercise was conducted to assess the vulnerability status of all employees to severe cases of Covid-19, and to maximise protection to those with underlying comorbidities to mitigate exposure to increased risk of Covid-19 infection and hospitalization. This exercise revealed important insights and learnings, which can be shared as follows:

- Approximately 98% of target population of 14 342 THZ employees were assessed;
- 95% of the employees were fit for work while a further 4% needed some adaptation;
- 43% of employees have at least one underlying condition that puts them at increased risk of severe Covid-19 illness and needed additional protective measures; and
- The data provided useful information for designing measures to protect those at increased risk of severe disease. This included advising people with underlying conditions:
  - to adopt social distancing and other enhanced; protective measures, appropriate to their level of risk
  - affording them options to access necessary treatment; and
  - prioritising them for vaccination.

The CEO, Mr Aiden Mhere, presenting Awards to 3 Covid-19 Champions at the Hippo Covid-19 Centre

Dr T Mukwewa (Corporate Medical Officer) and Ms A Chikunguru (former Corporate Affairs Executive) handing over Covid-19 equipment to the Minister of State (Masvingo) Hon E R Chadzamira, and the Provincial Medical Director, Dr A Shamu (7th August 2020)

Community focused Covid-19 Response Initiatives

In an effort to contain the pandemic in the immediate community, THZ capacitated Chiredzi Hospital through the establishment of an isolation ward, provision of PPE, addressing water, sanitation and health (WASH) issues and the supply of medical equipment.

As part of the national response to Covid-19, THZ assisted with the setting up of an isolation centre that would cater for Chiredzi and surrounding Districts. In total THZ invested an estimated US$ 199 425 in the fight against Covid-19 in Chiredzi District.

The Chiredzi General Hospital Covid-19 Isolation Centre handed over on 30th April 2020

Main Labour Ward at Chiredzi Hospital refurbished by THZ, handed over on 12th January 2021

Fumigation of public places in Chiredzi by the THZ Public Health team on 22nd April 2020

Employee Wellness

THZ provides Health Services through Colin Saunders Hospital (a 166-bed private hospital) which is located at Triangle, and Hippo Valley Medical Centre (a 50-bed industrial clinic) located at Chiredzi. There are also 4 satellite clinics feeding into the main centres (Gozonya, Mpapa, Mtirikwi and Mwenezana).

These facilities provide comprehensive integrated medical service to Hippo Valley, Triangle, Zimbabwe Sugar Association and Mwenezana employees and their dependants. The centres also cater for the surrounding communities including farmers and other service providers to the industry.

To support the provision of these integrated services, 400 members of staff are employed by the Health Services. This includes doctors, nurses, physiotherapists, radiographers, laboratory scientists, paramedics, community health workers and general support staff.

General health services are provided through both in and outpatient departments, with support from in-house laboratory, pharmacy, emergency medical services (ambulances and casualty) and theatre. In addition, the Company provides specialised health services under maternal and childcare, public health, wellness clinic and occupational health services.

The Company recognises the role of sporting and recreation in creating wellness among its employees and the community. To that effect various sports disciplines are being offered, ranging from athletics to swimming, boxing and social sporting activities at community level. THZ has invested in Triangle United Football Club (TUFC) which participates in the national premier league, regional and continental tournaments.

Occupational Health Risk Management

The Company engages in several programs and initiatives to eliminate hazards and where this is not feasible, controls are put in place to manage the risks. Medical surveillance programs form a critical arm of health risk management. Occupational injuries are investigated for root causes and workplace improvement to avoid recurrence.

There was no occupational health related fatality nor were there any occupational health cases with irreversible health effects during the financial year ended 31 March 2021.

Safety Performance

A total of 4 (2020: 5) Lost Time Injuries were recorded during the year, resulting in an improved Lost Time Injury Frequency Rate of 0.036 (2020: 0.048). Gratefully, no fatalities (2020: nil) were recorded during the year.

Managing Risk Associated with Water Bodies and Poaching of Game

The Company operations are largely agro-based with associated water bodies, thereby presenting risk of drowning, human attack by dangerous aquatic animals and snake bites. To manage these risks, a number of risk awareness campaigns were conducted during the year across operations, including the surrounding communities. Danger warning signage are in place in key high risk areas such as main water canals, dams and game parks. The Company is also exploring options together with the Zimbabwe National Water Authority, with the possible support of some non-governmental organisations, to provide borehole water in surrounding communities with inadequate water for domestic use, irrigation of vegetable gardens and use by animals, in order to prevent members of the community accessing canal water. To further prevent injury and even death of some members of the community who due to economic difficulties tend to engage in poaching fish and other animals from the dams and game parks, the Company is improving physical security around these assets, and is engaging the Department of Parks and Wildlife in order to develop a sustainable framework that will allow locals to access fish and specified game in an orderly, legal and responsible manner.

Danger warning signage at Mteri Dam and Main Water Canal

Managing Risk Associated with Lightning

The Company has a significant compliment of the workforce performing their work out in the open, a situation that exposes them to the risk of lightning strikes. To mitigate the risk, employees are being continuously alerted to the dangers of lightning strikes, and information on safe practices to avoid exposure to lightning is periodically provided to employees. The Company has also procured modern lightning detection equipment and employees have been trained on their use.

Lightning Detection Equipment in use at THZ

To further protect employees, 50 of 191 lightning shelters required across the Estates had been commissioned as at 31 March 2021, with the balance expected to be completed by end of August 2021, before the onset of the rainy season.

A typical emergency lightning shelter near cane fields

Safety Team Pacts

To promote appropriate safe work behaviour amongst employees, a campaign designed to create self-directed work teams whose rallying point is good safety behaviour was launched during the year. Each of the nearly seven hundred (700) work teams committed to a Safety Pact which binds each member to an agreed set of behavioural practices that the team believed is critical in order to mitigate against accidents at the respective workstation. Review of the Safety Team Pacts which is scheduled bi-annually is on-going as employees continue to modify their behaviour for better accident prevention performance.

ENVIRONMENTAL MANAGEMENT

Waste Management

In the year ended 31 March 2021, THZ operations generated a total of 3 308 tons (2020: 3 119 tons) of waste material (excluding boiler ash and maila). Of this total, about 10% (2020: 22%) was recycled or re-used.

The reduction in proportion of recycled waste is largely attributed to Covid-19 related restrictions.

The Company constructed a concrete lined hazardous waste disposal cell, which is used for disposal of hazardous waste such as burnt-out fluorescent tubes, expired agro-chemicals and laboratory waste.

Hazardous waste disposal cell

Energy Management

During the 2020/21 financial year, in line with new regulatory requirements to reduce the total amount of electricity from traditional sources in particular thermal and thus reduce its carbon footprint, THZ replaced 28 electrically powered geysers with solar powered geysers, resulting in the a saving of about 1MWh of electricity per day. The Company is also exploring opportunities to install solar energy generation plants across the Estate to provide power for irrigation, as well as replacement of obsolete water pumps with modern and energy efficient pumps.

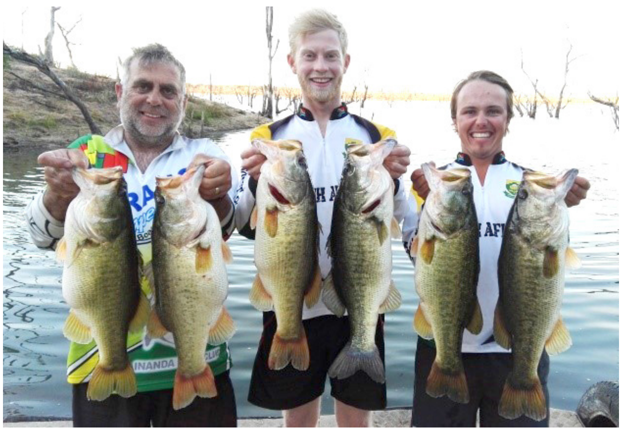
Replacing electric geysers with solar geysers

Bio-Diversity

As part of the climate change mitigation strategy, a total of 4 625 tree seedlings were planted in and around the THZ Estates during the 2020/21 tree planting season. All the planted trees will act as a carbon sink and thus contribute to the climate change effort. Donations of tree seedlings are periodically made to surrounding communities and schools with elaborate awareness campaigns on the importance of trees held during National and World Tree Planting Days. To eliminate the traditional use of firewood by employees, the Company has provided employees with LPG (Liquified Petroleum Gas) cooking units and 173 tonnes of LPG for domestic use during the year.

LPG cooking units issued to employees

The Company has a robust wildlife management system partly managed through a joint venture arrangement with Malilangwe Trust on some 10 000 ha under wildlife conservation. A wide variety of wildlife including the big five have the Hippo Valley and Mteri Game Area as their habitat with over 400 buffalos, 110 impalas, 120 zebras and a large population of hippopotamus in the water bodies around the Estates. Some good fishing is also conducted especially at the Mteri dam, which is famous for bass fishing competition attracting competitors from all over the world.



Eradication of Invasive Alien Species

Considerable portions of land on which THZ operates is infested with lantana camara and water hyacinth plants which have been ascribed the status of "alien and invasive" species by the Environmental Management Act. A total of 169 hectares (2020: 115 hectares) were cleared of lantana camara and 39 hectares (2020: 41 hectares) were cleared of hyacinth during 2020/21.

FOOD SAFETY MANAGEMENT SYSTEM

Food Safety and Quality Performance

In order to enhance food safety and performance on quality, THZ has embarked on several programs which include, changes in labelling of our packaging to meet local and regional legislation and standards. A Stop Work Authority program was also introduced through which risk at each stage within the value chain is closely monitored including delivery of our product.

Compliance to Voluntary Standards and Other Requirements

Triangle Refinery has maintained its certification in the FSSC 22000 international scheme, after a successful completion of an audit held in June 2021, which has resulted in it upgrading to version 5.1. The company has thus renewed its supplier authority status with The Coca Cola Company (TCCC).

The company registered with and activated its participation on the SEDEX (Supplier Ethical Data Exchange) website as per the global customers ethical trade conditions. Through this initiative, transparency and assurance on matters of food safety to our customers such as the ASR Group, T&L Sugar, Coca Cola, Nestle, Unilever who also subscribe to this mutually accepted code of practice, is made available.

Improvement Projects

THZ embarked on a FSSC 22000 certification project for SunSweet and Raw Sugar production in 2019 to meet industrial and export customer expectations. To date, the system documentation has been completed and several critical prerequisite projects and programs have been advanced to in order to secure certification in 2022.

The below are some of the examples:

- **Replacement of mild steel equipment with stainless steel**

Newly installed syrup tank

Translucent W2 conveyor covers

Under this project, the company has successfully installed pieces of stainless-steel equipment which include, a syrup tank, a condensate tank and a screw conveyor. Installation of conveyor covers to improve product hygiene have also progressed well.

- **New canteen and laundry facilities**

New Canteen at Hippo Valley Mill

A new staff canteen was constructed at our Hippo Valley mill and a laundry programme for high-risk production personnel was commissioned in line with Personnel Hygiene best practice standards.

- **Improved flooring**

Epoxy floor at Hippo Valley Mill.

During period under review, the company continued to uplift the infrastructure of the manufacturing facilities by installing epoxy flooring and improving warehouse and factory cladding at the Hippo Valley mill. In addition to this, it also constructed a new 1 ton bag storage facility.

- **Improved access control**

Fencing at stacking areas

To strengthen security and access control, the sugar stacking areas were fenced. A vehicle tracking system is being installed with a view to reducing turnaround time by 30% and to safeguard against tampering with, and theft of sugar.

Water Affairs

The sugar industry water reserves are in a good state following above normal rains received in the just ended rainfall season. With the 2020/21 rainfall having ended, the water reserves in the main supply dams are substantially higher than same time last year. On the current water stocks, the industry developed area has a water cover of at least 3 seasons at 100% water allocation except for the Manjirenji-Siya system which is at 24.4 months of cover. The ideal water cover is 24 months.

It, however, remains imperative that as the industry starts the 2021/22 year, good water use practices must be observed throughout, water conservation strategies must be considered for implementation, and due diligence done on any further new developments requiring irrigation water. While the estate is predominantly furrow irrigated, management has over the years invested resources in improving the application efficiency of this system of irrigation which at 75% efficiency is world class. However, in keeping with the spirit of continuous improvement, investigations in technologically superior irrigation systems like drip are ongoing for possible adoption where feasible.

Socio Economic Empowerment of Local Communities

The THZ Maize Project

- The winter maize project is a Public Private Partnership between THZ Masvingo Development Trust and the Government of Zimbabwe. The project aims at complementing Government efforts to improve food security for the Province. In the cropping season under review, THZ delivered some 6 955 tons of maize (grown on fallow sugarcane fields) to the local Grain Marketing Board (GMB), significantly improving food security in the region.
- In addition, THZ produced 1 216 tons of seed maize in partnership with the country's major seed house, SeedCo.

Winter Maize handed over to Government, GMB Nandi, March 2020

Chilonga

The Company supported the drought prone Chilonga Community with land preparation equipment to enable production of maize on some 150 hectares providing a lifeline for this community.

Sugarcane Out-grower Initiatives

A total of 1 101 private farmers command 20 823 hectares of developed cane area under the sugar industry and constitute 46% of total industry cane area of approximately 45 000 hectares. Private farmers' annual sugar production is approximately 37% of total industry production. Development of 4 000 hectares of sugarcane on Project Kilimanjaro being undertaken by THZ in partnership with Government and local banks, has seen a total of 2 700 hectares of virgin land bush-cleared and ripped, and 562 hectares planted to sugarcane. As previously reported, project works were slowed down on account of delays in obtaining the requisite funding from financial institutions pending further clarity on land tenure, both of which are being progressed.

Over and above the on-going inputs and extension support to private farmers, the THZ has initiated various vertical and horizontal sugarcane growth programs over the past financial year. A partnership framework whereby THZ is co-managing certain underperforming out-grower farms is progressing satisfactorily. The Company is also providing financial and technical assistance to a number of new sugarcane out grower development projects with work on 'Pezulu' Project measuring 1 168 hectares having started. Other growth projects, with potential for an additional 11 000 hectares for the benefit of out growers are under consideration over the next five years.

Education Support Initiatives

In August 2020, the relocation and construction of Hippo Valley Primary School to a new site commenced and to date all 11 classrooms have been completed. The relocation was an outcome of a fire risk assessment done at the previous location which was adjacent to an alcohol manufacturing plant. The legal requirements of the Ministry of Primary and Secondary Education pertaining to structures and including those for disabled learners (ramps and ablution facilities) were taken into consideration and put in place.

THZ works closely with the Government of Zimbabwe and the Ministry of Primary and Secondary Education towards attaining quality education in Zimbabwe. In addition to its three (3) privately owned schools, THZ assists the government with the running and maintenance of 20 government schools on the estates. Contribution towards education can be seen through the following:

- Subsidised transport for pupils as well as subsidised accommodation for teachers;

- Education support as the company pays 80% of the tuition fees, with the parents paying the remainder;
- Excellence awards for best performers at A Level for both teachers and students;
- Interface with the Ministry, NGO's and other stakeholders working towards the common goal of quality education across our operations; and
- Infrastructure development and maintenance of the schools on behalf of the Government.


School Children queuing for sanitisation and temperature checks

Headcount

THZ employment complement at peak was 17 043 broken down as shown in the Table below:-

Category	Hippo	Triangle	Total
Permanent	3 958	5 054	9 012
Contract	4 118	3 913	8 031
Total	**8 076**	**8 967**	**17 043**

Gender Equity

The overall gender equity improved from a 14% in March 2020 to 17% in March 2021. There is intense focus on this with the overall target being 24% by 2023.

Compensation and Benefits

The Company has continued to prioritise stability of the workforce and to this end cushioned employees from the harsh economic environment through timeous review of wages and salaries and the payment of a Cost of Living Allowance (COLA) in foreign currency.

Training and Development

The Company has interventions to manage succession and retention for critical roles which are informed by a skills gap analysis. These include the Management Development Program, Graduate Learnership, Trainee Section Manager and Apprenticeship training program with a total of 104 trainees. In 2021, the Management Development programs included 9 managers of which 2 were females. The two year learnership that commenced in January 2019 was completed in March 2021, and included 24 graduate learners (12 of which were female) and 19 trainee section managers (8 of which were female). The Company has 52 Apprentices, 14 of which are female, in various stages of training. These will provide a talent pool after completion of their learnership.

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 Company keeps adequate accounting records and prepares financial statements that fairly present the financial position, results of operations and cash flows of the Company 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, the Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments SI 33/19 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 Company has used appropriate accounting policies consistently supported by reasonable and prudent judgements and estimates and has complied with all applicable accounting standards. The Directors are of the opinion that the financial statements fairly present the financial position and the financial performance of the Company as at 31 March 2021.

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 Composition

The Company has a unitary Board that comprises two executive, four non-executive and six 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.

With effect from 1 May 2021, the Board meets under the chairmanship of an independent 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 Company. A complete listing of matters reserved for decision by the Board has been agreed and is reviewed on a regular basis.

Appointment of new Directors is approved by the Board as a whole after considering recommendations from the Remuneration and Nominations Committee. All Directors have access to the advice and services of the Company Secretary.

Board Appointments

The Company has over the past year appointed five non-executive Directors; Mr C F Dube, Mr G Sweto, Mr R J Moyo, Mr J G Hudson, Mr R M Goetzsche and a new Finance Director Mr O H Manasah. In April 2021, Mr D L Marokane resigned as Chairman and Board member, paving way for the appointment of Mr C F Dube as the new independent non-executive Chairman from 1 May 2021. In terms of the Articles of Association, Mr R M Goetzsche retires from the Board at the next Annual General Meeting, and being eligible, offers himself for re-election.

Retirement of Directors

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. Messrs L R Bruce, J P Maposa, O H Manasah and S Harvey retire by rotation in terms of Article 100 of the Articles of Association. Messrs J P Maposa, O H Manasah and S Harvey being eligible, offer themselves for re-election.

Risk Management Committee

During the year under review the Board established a Risk Management Committee. The Committee is comprised of one independent non-executive Director, two non-executive Directors and two executive Directors. The Committee is chaired by a non-executive Director.

The Risk Management Committee and Management accept that they are responsible for internal controls and a strong emphasis has been placed on identifying and appropriately managing key risks that threaten the achievement of the Company objectives. Although this system is considered robust, it can only provide reasonable, but not absolute assurance that the Company's business objectives will be achieved within the risk tolerance levels defined by the Board. An internal control system to manage significant risks was 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.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee consists of three independent non-executive Directors, including its Chairman and one non-executive Director. The Committee is responsible for assisting the Board in fulfilling its corporate governance responsibilities which include review of the remuneration structure and policy, making recommendations to the Board on the composition of the Board and Board committees, reviewing succession plans, reviewing employment contracts for executive Directors and senior management and ensuring that Board evaluations are conducted.

In terms of its remuneration policy, the Company 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 the Company.

The Directors are appointed to the Board to bring appropriate management, direction, skills and experience to the Company. They are, accordingly, remunerated on terms commensurate with market rates that recognise their responsibilities to shareholders for the performance of the Company. These rates are reviewed at least annually 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 Company'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. Further information on the activities of the Audit Committee is contained in the Audit Committee Report on page 22 to 23.

Conflict of Interest

The Board has formal procedures for managing conflicts of interests in accordance with the provisions of the Companies and Other Business Entities Act (Chapter 24:31) as read with the company's policies on conflict of interest.

Code of Corporate Governance and Ethical Conduct

The Company adopted the National Code of Corporate Governance in Zimbabwe. The Company is also committed to promoting the highest standards of ethical behaviour amongst all its employees. All employees are required to maintain the highest ethical standards in ensuring that Company'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 Company'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 Company.

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

P Kadembo

Company Secretary

25 June 2021

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 24 to 29. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the provisions of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments (SI 33/19 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 2022 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.

The consolidated and separate financial statements set out on pages 30 to 92 were approved by the Board of Directors on 08 June 2021 and signed on its behalf by:

C F Dube
Chairman

A Mhere
Chief Executive Officer

25 June 2021

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
Finance Director

Registered Public Accountant number 3784

Directors' Report

The Directors have pleasure in submitting their report and the financial statements of the Group for the year ended 31 March 2021. The Group's Independent Auditors, Deloitte & Touche, have audited the financial statements and their report appears on pages 24 to 29.

Share capital and reserves

During the year there was no change in the authorised and issued share capital of the Company. At 31 March 2021 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	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Balance at the beginning of the year	(133 520)	(26 571)	78 748	53 511
Exchange gain /(loss) on translation of equity in foreign associated company net of tax	2 430	(106 949)	130 846	25 237
Balance at the end of the year	**(131 090)**	**(133 520)**	**209 594**	**78 748**

Group profit or loss account for the year ended 31 March 2021

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	**Year ended 31.03.20 ZWL'000**	**Year ended 31.03.21 ZWL'000**	**Year ended 31.03.20 ZWL'000**
Profit before tax	2 181 461	3 923 121	5 694 850	1 583 441
Income tax expense	(1 055 744)	(1 340 364)	(1 474 067)	(405 154)
Profit for the year	**1 125 717**	**2 582 757**	**4 220 783**	**1 178 287**
Retained earnings brought forward	7 835 549	5 761 690	1 246 350	115 957
Dividend	(393 173)	-	(303 037)	-
Actuarial loss on post retirement provision	(279 746)	(508 898)	(188 213)	(47 894)
Share based payment	(19 745)	-	(19 745)	-
Retained earnings carried forward	**8 268 602**	**7 835 549**	**4 956 138**	**1 246 350**

Dividend
The Board declared and paid an interim dividend of ZWL 121 cents per share during the year ended 31 March 2021. In view of the Company's positive financial performance for the year ended 31 March 2021, the Board has declared a final dividend of ZWL 124 cents per share for the year ended 31 March 2021 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full on or around 15 July 2021 to all Shareholders of the Company registered at the close of business on 9 July 2021.

Directorate
The Company has over the past year appointed five non-executive Directors; Mr C F Dube, Mr G. Sweto, Mr R J Moyo, Mr J G Hudson, Mr R M Goetzsche and a new Finance Director Mr O H Manasah. In April 2021, Mr D L Marokane resigned as Chairman and Board member, paving way for the appointment of Mr C F Dube as the new Independent Chairman. The Board extends its gratitude to Mr D L Marokane for his valuable contribution and leadership during his term of office.

Directors' fees
At the Annual General Meeting held on 25 September 2020, the members approved that the fees payable to non-executive Directors for the year ended 31 March 2021 be fixed at US$3 087 per quarter and US$6 174 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee. Further that the fees payable to non-executive Directors as members of the Audit and Compliance Committee for the year ended 31 March 2021 be fixed at US$1 543 per quarter and US$3 087 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee.

Independent Auditors
The Independent Auditors, Messrs Deloitte & Touche, have been the Group's auditors for many years and are due for rotation. In terms of the new requirements per the new Companies and Other Business Entities Act (Chapter 24:31), the new ZSE listing requirements and good corporate governance, the Directors intend to rotate the auditors for the 2022 financial year and have recommended the appointment of Ernst & Young.

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 2021 set out on pages 30 to 92 were approved by the Board of Directors on 8 June 2021 and signed on its behalf by Messrs C F Dube 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,

C F Dube
Chairman

O H Manasah
Finance Director

P Kadembo
Company Secretary

25 June 2021

Audit Committee Report

INTRODUCTION - The role of the Audit Committee

The Audit Committee presents its inaugural report to shareholders as required by the Companies and Other Business Entities Act (Chapter 24:31). The Audit Committee assists the Board in fulfilling its oversight responsibilities. 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. Currently, the Internal Audit function has been outsourced.

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

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 is accountable to and makes recommendations to the Board for its activities and responsibilities.

External Auditors

The External Auditors responsible for the audit of the financial statements for the year ended 31 March 2021, Deloitte & Touche were re-appointed by shareholders and report to the Audit Committee. In order to be able to rely on the work performed by the external auditors, the Audit Committee has properly monitored Deloitte & Touche's activity, by requesting oral and written reports, reviewing the external auditor's deliverables and making further inquiries before sign-off of the financial statements.

The Audit Committee held discussions with the external auditors throughout the year, in order to keep the Audit Committee briefed on the audit progress and any key audit matters requiring attention. The Audit Committee received assurance that the audit process was conducted in accordance with the audit plan, with full support from management. The Committee also regularly assesses the external auditor's independence, including the absence of conflicts of interest.

External Audit Independence and Effectiveness

It is noted that although Deloitte & Touche have been auditors of the Company for more than 10 years, they have maintained professional independence in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the relevant standards from the PAAB including rotation of partners. The Committee has considered the Practice Guidelines from the Zimbabwe Stock Exchange with respect to audit firm rotation and hence committed to change auditors at a future date. At the annual general meeting held on 25 September 2020, members re-appointed Deloitte & Touche as external auditors for the year ended 31 March 2021. This was on the understanding that the process to select a new audit firm had commenced and would be finalised in good time in order to transition from Deloitte & Touche as the Company's external audit firm to Ernst and Young for the year ending 31 March 2022. The appointment of the new audit firm for the year ending 31 March 2022, awaits approval of shareholders at the annual general meeting to be held in September 2021.

Financial Reporting

The Committee reviews the interim and full year financial statements before their submission to the Board for approval. The financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the provisions of the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) and the relevant statutory instruments (SI 33/19 and SI 62/96) as well as the ZSE listing requirements.

There was no material break down in the functioning of control procedures and systems identified during the year under review. The annual consolidated and separate financial statements were prepared on the going concern basis. The Directors reviewed the budgets and cash flow forecasts for the year to 31 March 2022 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.

The Audit Committee reviewed and discussed the key audit matters raised by external auditors in their audit opinion for the year ended 31 March 2021 and is satisfied that these did not result in any material misstatements to the financial statements. The key audit matters which are detailed in the independent auditor's report are as follows:

- Valuation of biological assets - Standing Cane in accordance with IAS 41: Agriculture;
- Valuation of biological assets, Cane Roots, in accordance with IAS 16 "Property, plant and equipment"; and
- Valuation and recoverability of long outstanding receivables.

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. The Audit Committee is of the opinion that the financial statements fairly present the financial position of the Group as at 31 March 2021 and its financial performance for the year ended 31 March 2021.

Audit Committee Report

Key Activities in the Financial Year

The Committee's work for the year under review entailed reviewing, recommending and approving a wide range of matters including the following:

- Monitoring the quality and accuracy of financial reporting and compliance with IFRS in respect of financial practices and policies, considered the going concern status of the Company and recommended the financial statements to the Board for approval;
- Monitoring action taken by management to resolve issues reported by internal and external auditors;
- Continuous engagement with the external auditors to oversee independence and audit quality;
- A Dividend Policy was introduced and at the recommendation of the Audit Committee approved by the Board;
- The Committee reviewed the Tip-Offs Anonymous Award Levels which were aligned to industry best practice as advised by Deloitte Tip-offs Anonymous and at its recommendation obtained Board approval;
- A Risk Management Framework and Policy was recommended by the Committee and adopted by the Board;
- The Committee recommended to the Board the appointment of Ernest & Young (Zimbabwe) as External Auditors for the Financial Year ending 31 March 2022, which decision now awaits approval by shareholders;
- The Committee reviewed various reports from the Internal Audit on the internal audit work undertaken against the agreed work plan, their findings, management responses and changes to standard operating procedures;
- Received reports on identified fraud cases and noted that no major occurrences were reported during the year. The work covered investigations on reports from the Deloitte Tip-Off Anonymous System and those received directly from whistle-blowers;
- Provided oversight over ICT governance and network security
- Provided oversight over the Company's tax affairs through reports on tax health checks and tax litigation matters; and
- Provided oversight over the company's treasury matters relating to borrowings and banking arrangements.

N Kudenga
Audit Committee Chairman

25 June 2021

Independent Auditor's Report

Deloitte.

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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 30 to 92, which comprise the inflation-adjusted consolidated and separate statement of financial position as at 31 March 2021, 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, 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 2021, 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 as well as ZSE listing requirements.

Basis for Opinion

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 Financial Statements section of our report. We are independent of the Group in accordance with the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) together with the ethical requirements that are relevant to our audit of 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 opinion.

Emphasis of Matter

We draw attention to Note 28 of the financial statements which describes the uncertainties relating to land ownership and the impact of Covid-19 on the Group. Our opinion is not modified in respect of these matters.

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.

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 Company is required to value its standing cane at fair value in accordance with IAS 41 "Agriculture". As disclosed in Note 6, the carrying amount of the standing cane amounted to ZWL2.92 billion (2020: ZWL4.06 billion). 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 amount, 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 particular focus on key estimates and the assumptions underlying those estimates, such as the determination of the estimated cane yield, average age at 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 sensitivity analyses 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 complies with the requirements of IAS 41 "Agriculture"; • 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 amount 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; and • Assessing the reliability of management's forecasts used in the valuation of standing cane through 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 Company is required to value its cane roots at cost in accordance with IAS 16 "Property, Plant and Equipment". As disclosed in Note 4.3, the carrying amount of the cane roots amounted to ZWL935 million (2020: ZWL878 million). The value of cane roots is based on the estimated cost depreciated over the expected useful life of cane roots of seven (7) ratoons. The cost is determined by restating the estimated historical cost to the year-end purchasing power using the relevant conversion factors. The ratoon life of seven ratoons represents a change in estimate from the prior year life of 9 ratoons. The carrying amount 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 useful life of seven ratoons, as the balance is sensitive to this estimate.	In evaluating the carrying amount of cane roots, we reviewed the valuations performed by the Directors, with 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 amount of cane roots comply with the requirements of IAS 16 "Property, Plant and Equipment"; • Testing the design and implementation and the operating effectiveness of controls with respect to the process of determining the cost of cane roots; • Evaluating the appropriateness of the change in the useful life estimate, based on the changes in circumstances affecting the economic life of the 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; and • Assessing 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.

Key Audit Matter	How the matter was addressed in the audit
3. Valuation and recoverability of long outstanding receivables	
As disclosed in note 7 the balance of trade and other receivables at year end of ZWL1.99 billion (2020: ZWL1.03 billion) includes long outstanding receivable amounts. Per the Group policy, receivables which have been outstanding for more than 90 days are considered past due. Receivables totalling ZWL170 million had been outstanding for more than 90 days at year end.	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;

Key Audit Matter	How the matter was addressed in the audit
3. Valuation and recoverability of long outstanding receivables	
This is deemed 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.	• 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 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; and • 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 Businesses 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.

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 and Other Businesses Entities Act (Chapter 24:31) 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
Registered Auditor
Per: Brian Mabiza
Partner
PAAB Practice Certificate Number 0447

25 June 2021

Consolidated Statement of Financial Position

As at 31 March 2021

	Notes	INFLATION ADJUSTED Year ended 31.03.21 ZWL'000	INFLATION ADJUSTED Year ended 31.03.20 ZWL'000	HISTORICAL COST* Year ended 31.03.21 ZWL'000	HISTORICAL COST* Year ended 31.03.20 ZWL'000
ASSETS					
Non-current assets		**5 184 471**	**5 269 768**	**573 803**	**214 861**
Property, plant and equipment	4.3	4 782 284	4 848 126	366 039	139 490
Intangible assets	4.6	103 713	112 823	2 722	2 704
Investments in associate companies	5	289 406	227 339	199 521	48 741
Right of use assets	4.9	9 068	4 689	5 521	1 377
Long-term receivables		-	76 791	-	22 549
Current assets		**7 928 251**	**7 033 271**	**7 855 979**	**1 960 689**
Biological assets	6	3 007 894	4 103 305	3 007 894	1 204 901
Inventories - stores	8	1 143 401	945 146	1 026 635	134 714
- sugar and by-products	8	897 660	546 175	942 154	250 159
Accounts receivable - trade	7	489 710	438 138	489 710	140 165
- other	7	1 503 841	594 492	1 503 841	111 527
Cash and cash equivalents		885 745	406 015	885 745	119 223
Total assets		**13 112 722**	**12 303 039**	**8 429 782**	**2 175 550**
EQUITY AND LIABILITIES					
Capital and reserves		**8 802 779**	**8 367 296**	**5 181 174**	**1 340 540**
Issued share capital	9.1	665 267	665 267	15 442	15 442
Other components of equity	9.3	(131 090)	(133 520)	209 594	78 748
Retained earnings		8 268 602	7 835 549	4 956 138	1 246 350
Non-current liabilities		**2 177 915**	**2 470 234**	**1 116 580**	**415 532**
Deferred tax liabilities	10	1 816 759	2 220 413	755 424	342 174
Provisions	12.1	356 841	246 881	356 841	72 495
Lease liabilities	13	4 315	2 940	4 315	863
Current liabilities		**2 132 028**	**1 465 509**	**2 132 028**	**419 478**
Trade and other payables	11	1 938 061	1 125 685	1 938 061	335 222
Leave pay provision	12.2	38 962	65 289	38 962	3 641
Lease liabilities	13	3 197	1 807	3 197	531
Borrowings	14.1	-	68 110	-	20 000
Current tax liability		151 808	204 618	151 808	60 084
Total equity and liabilities		**13 112 722**	**12 303 039**	**8 429 782**	**2 175 550**

* 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 30.

C F Dube
Chairman

A Mhere
Chief Executive Officer

O H Manasah
Finance Director
Registered Public Accountant
PAAB number 3784

25 June 2021

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2021

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Revenue	15.1	**16 752 409**	**12 505 176**	**12 854 238**	**1 682 340**
Fair value (loss)/gain on biological assets	6	(1 095 411)	1 653 021	1 802 993	1 112 228
Turnover		**15 656 998**	**14 158 197**	**14 657 231**	**2 794 568**
Cost of sales	15	(6 922 437)	(4 093 554)	(5 445 559)	(661 744)
Gross profit		**8 734 561**	**10 064 643**	**9 211 672**	**2 132 824**
Marketing and selling expenses	15	(2 474 978)	(2 085 389)	(1 876 435)	(270 209)
Administrative and other expenses	15	(2 395 691)	(1 658 531)	(1 882 685)	(252 442)
Other operating costs		(58 971)	(1 000 571)	(63 053)	(36 652)
Operating profit	**15**	**3 804 921**	**5 320 152**	**5 389 499**	**1 573 521**
Monetary loss		(1 850 271)	(1 479 352)	-	-
Net finance income/(costs)	16	90 173	(103 428)	204 559	(10 161)
Finance costs		(161 031)	(363 600)	(108 947)	(10 745)
Finance income		251 204	260 172	313 506	584
		2 044 823	**3 737 372**	**5 594 058**	**1 563 360**
Share of associate companies' profit after tax	5	136 638	185 749	100 792	20 081
Profit before tax		**2 181 461**	**3 923 121**	**5 694 850**	**1 583 441**
Income tax expense	17	(1 055 744)	(1 340 364)	(1 474 067)	(405 154)
Profit for the year		**1 125 717**	**2 582 757**	**4 220 783**	**1 178 287**
Other comprehensive loss, net of tax		(277 316)	(615 847)	(57 367)	(22 657)
Items that may be reclassified subsequently to profit or loss					
- Exchange gain/(loss) on translation of equity in foreign investment		2 430	(106 949)	130 846	25 237
Items that will not be classified subsequently to profit or loss					
- Actuarial losses on post retirement provision		(279 746)	(508 898)	(188 213)	(47 894)
Total comprehensive income for the year		**848 401**	**1 966 910**	**4 163 416**	**1 155 630**
Basic and diluted earnings per share (ZWL cents)	18	583.2	1 338.1	2 186.7	610.4
Headline earnings per share (ZWL cents)	18	583.2	1 338.3	2 186.7	610.5

* 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 30.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2021

INFLATION ADJUSTED

GROUP STATEMENT OF CHANGES IN EQUITY

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2019	**665 267**	**(26 571)**	**5 761 690**	**6 400 386**
Total comprehensive (loss)/ income for the year	-	(106 949)	2 073 859	1 966 910
Profit for the year	-	-	2 582 757	2 582 757
Other comprehensive loss for the year	-	(106 949)	(508 898)	(615 847)
Balance at 31 March 2020	**665 267**	**(133 520)**	**7 835 549**	**8 367 296**
Total comprehensive income for the year	-	2 430	845 971	848 401
Profit for the year	-	-	1 125 717	1 125 717
Other comprehensive income/ (loss) for the year	-	2 430	(279 746)	(277 316)
Share based expense	-	-	(19 745)	(19 745)
Dividend	-	-	(393 173)	(393 173)
Balance at 31 March 2021	**665 267**	**(131 090)**	**8 268 602**	**8 802 779**

Company results have not been shown here and in the notes to the financial statements for reasons explained in note 30.

HISTORICAL COST*

GROUP STATEMENT OF CHANGES IN EQUITY

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
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**
Total comprehensive income for the year	-	130 846	4 032 570	4 163 416
Profit for the year	-	-	4 220 783	4 220 783
Other comprehensive income/(loss) for the year	-	130 846	(188 213)	(57 367)
Share based expense	-	-	(19 745)	(19 745)
Dividend	-	-	(303 037)	(303 037)
Balance at 31 March 2021	**15 442**	**209 594**	**4 956 138**	**5 181 174**

* 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 30.

Consolidated Statement of Cash Flows

For the year ended 31 March 2021

	Notes	INFLATION ADJUSTED Year ended 31.03.21 ZWL'000	INFLATION ADJUSTED Year ended 31.03.20 ZWL'000	HISTORICAL COST* Year ended 31.03.21 ZWL'000	HISTORICAL COST* Year ended 31.03.20 ZWL'000
Cash flows from operating activities					
Cash generated from operations	20.1	3 288 968	2 012 774	3 802 316	468 394
Changes in working capital	20.2	(681 975)	(557 940)	(1 714 580)	(232 475)
Net cash generated from operations		**2 606 993**	**1 454 834**	**2 087 736**	**235 919**
Net finance income received /(charges paid)		32 814	(96 307)	51 826	(9 752)
Interest paid-loans		(103 816)	(102 261)	(70 399)	(10 319)
Interest received		136 630	5 954	122 225	567
Tax paid		(1 456 088)	(732 223)	(931 336)	(49 492)
Net cash inflow from operating activities		**1 183 719**	**626 304**	**1 208 226**	**176 675**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		(365 288)	(158 860)	(252 124)	(27 079)
- Other property, plant, equipment and intangible assets		(132 678)	(18 738)	(117 660)	(2 901)
- Cane roots		(225 203)	(134 721)	(128 545)	(22 592)
- Right of use assets		(7 407)	(5 401)	(5 919)	(1 586)
Proceeds on disposal of property, plant and equipment	20.3	44	-	44	-
Movement in non-current financial assets		7 189	143 244	22 549	(16 859)
Dividends received from associated companies		112 743	110 667	104 906	10 415
Net cash (outflow) /inflow from investing activities		**(245 312)**	**95 051**	**(124 625)**	**(33 523)**
Net cash inflow before financing activities		**938 407**	**721 355**	**1 083 601**	**143 152**
Cash flows from financing activities					
Proceeds from borrowings		438 862	481 094	295 267	45 277
Repayment of borrowings		(506 973)	(1 315 982)	(315 267)	(90 070)
Dividends paid		(393 173)	-	(303 037)	-
Lease financing raised		2 605	4 747	5 958	1 394
Net cash outflow from financing activities		**(458 679)**	**(830 141)**	**(317 079)**	**(43 399)**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		119 223	151 167	119 223	19 470
Net cash inflow from operating activities		1 183 719	626 304	1 208 226	176 675
Net cash (outflow)/inflow from investing activities		(245 312)	95 051	(124 625)	(33 523)
Net cash outflow from financing activities		(458 679)	(830 141)	(317 079)	(43 399)
Inflation effects on cash and cash equivalents		286 794	363 634	-	-
Cash and cash equivalents at end of year		**885 745**	**406 015**	**885 745**	**119 223**
Consisting of:		**885 745**	**406 015**	**885 745**	**119 223**
Cash on hand		81	229	81	67
Cash at bank		885 664	405 786	885 664	119 156

* 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 30.

Summary of Significant Accounting Policies

1. Statement of compliance and basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). 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.

All the historical financial statements are presented as supplementary information. The information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of IAS 29. As a result, the auditors have not issued an audit opinion on the historical financial information.

2. Functional currency

The consolidated financial statements are presented in Zimbabwe Dollars (ZWL) which is the Group's functional and presentation currency.

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, 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 2021.

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

- In the financial year to March 2021, the inflation rate significantly decelerated to 241%. However, this remains hyperinflationary in accordance with IAS 29.

- There was significant deterioration in the interbank Zimbabwe Dollar (ZWL) exchange rate during the period. Trading commenced at an interbank rate of ZWL25 to US$1 as at 31 March 2020 and weakened to a rate of ZWL84.40 to US$1 at 31 March 2021.

- 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 2020	810.4	3.406
31 March 2021	2 759.8	1.000
Average CPI for 12 months to:		
31 March 2021	2 083.51	
31 March 2020	382.92	

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 a 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 of the notes to the consolidated financial statements) 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.

Dividend and interest income

Dividend income from investments is recognised 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). Where a lease contract is modified and the lease modification is not accounted for as a separate lease, 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, 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.

8. Property, plant, equipment and intangible assets

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.

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 (7 ratoon cycles)	8 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.

Following the change in functional currency from the US$ to ZWL, property, plant and equipment, a significant portion of which was procured in US$ in prior financial periods, was translated to ZWL terms, the rate pertaining at the time on a ratio of 1:1. The valuation of property, plant and equipment is therefore still distorted by the significant disparity between the US$ and ZWL.

8.1 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 capitalised until all the activities necessary to prepare assets for their intended use are substantially complete.

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.

8.2 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 (2020: 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 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

The Group enters into share-based payment transactions in terms of the employee share incentive schemes. The charge to profit or loss required by IFRS 2 Share-based Payment is accounted for in terms of the scheme on the basis that the instruments are equity-settled. The total amount to be expensed on a straight-line basis over the vesting period is determined with reference to the fair value of the awards determined at the grant date.

Non-market vesting conditions are included in assumptions about the number of awards that are expected to become due, including taking into account the forfeiture of instruments due to resignation and these assumptions are reviewed on an annual basis. The fair value of the share-based payment is measured using a binomial tree model and/or a Monte Carlo Simulation model, as is appropriate for the various schemes.

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 40% (2020:30%) 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 recognise 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.

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 replanting program will continue to contribute to the significant improvement in standing cane yields.
- 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

A change in the productive life cycle of ratoons is accounted for prospectively as a change in accounting estimate in line with IAS 8 and IAS 16.

Cane roots are valued based on total establishment costs amortised over the period of their productive life which is currently estimated at 7 ratoon cycles grown over an 8-year period (2020: 9 ratoon cycle over 10 year period). The impact of historical and forecast cane growing conditions is considered in the annual reassessment of the estimated ratoon life. 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 estimated 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 4.2.2 to the consolidated financial statements.

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 is 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 are therefore 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 and 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 recognised 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.

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 2020. The application of these amendments has not resulted in any material impact on the financial performance, or financial position of the Group.

Impact of the initial application of Covid-19-Related Rent Concessions Amendment to IFRS 16	In May 2020, the IASB issued Covid-19-Related Rent Concessions (Amendment to IFRS 16) that provides practical relief to lessees in accounting for rent concessions occurring as a direct consequence of Covid-19, by introducing a practical expedient to IFRS 16. The practical expedient permits a lessee to elect not to assess whether a Covid-19 -related rent concession is a lease modification. A lessee that makes this election shall account for any change in lease payments resulting from the Covid-19-related rent concession the same way it would account for the change applying IFRS 16 if the change were not a lease modification. The practical expedient applies only to rent concessions occurring as a direct consequence of Covid-19 and only if all of the following conditions are met: a) The change in lease payments results in revised consideration for the lease that is substantially the same as, or less than, the consideration for the lease immediately preceding the change; b) Any reduction in lease payments affects only payments originally due on or before 30 June 2021 (a rent concession meets this condition if it results in reduced lease payments on or before 30 June 2021 and increased lease payments that extend beyond 30 June 2021); and c) There is no substantive change to other terms and conditions of the lease. In the current financial year, the Group has applied the amendment to IFRS 16 (as issued by the IASB in May 2020) in advance of its effective date.

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

In the current year, the Group has applied the below amendments to IFRS Standards and Interpretations issued by the International Accounting Standards Board that are effective for an annual period that begins on or after 1 January 2020. Their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements.

Amendments to References to the Conceptual Framework in IFRS Standards	The Group has adopted the amendments included in Amendments to References to the Conceptual Framework in IFRS Standards for the first time in the current year. The amendments include consequential amendments to affected Standards so that they refer to the new Framework. Not all amendments, however, update those pronouncements with regard to references to and quotes from the Framework so that they refer to the revised Conceptual Framework. Some pronouncements are only updated to indicate which version of the Framework they are referencing to (the IASC Framework adopted by the IASB in 2001, the IASB Framework of 2010, or the new revised Framework of 2018) or to indicate that definitions in the Standard have not been updated with the new definitions developed in the revised Conceptual Framework. The Standards which are amended are IFRS 2, IFRS 3, IFRS 6, IFRS 14, IAS 1, IAS 8, IAS 34, IAS 37, IAS 38, IFRIC 12, IFRIC 19, IFRIC 20, IFRIC 22, and SIC-32.
Amendments to IFRS 3 Definition of a business	The Group has adopted the amendments to IFRS 3 for the first time in the current year. The amendments clarify that while businesses usually have outputs, outputs are not required for an integrated set of activities and assets to qualify as a business. To be considered a business an acquired set of activities and assets must include, at a minimum, an input and a substantive process that together significantly contribute to the ability to create outputs. The amendments remove the assessment of whether market participants are capable of replacing any missing inputs or processes and continuing to produce outputs. The amendments also introduce additional guidance that helps to determine whether a substantive process has been acquired. The amendments introduce an optional concentration test that permits a simplified assessment of whether an acquired set of activities and assets is not a business. Under the optional concentration test, the acquired set of activities and assets is not a business if substantially all of the fair value of the gross assets acquired is concentrated in a single identifiable asset or group of similar assets. The amendments are applied prospectively to all business combinations and asset acquisitions for which the acquisition date is on or after 1 January 2020.
Amendments to IAS 1 and IAS 8 Definition of material	The Group has adopted the amendments to IAS 1 and IAS 8 for the first time in the current year. The amendments make the definition of material in IAS 1 easier to understand and are not intended to alter the underlying concept of materiality in IFRS Standards. The concept of 'obscuring' material information with immaterial information has been included as part of the new definition.

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

The threshold for materiality influencing users has been changed from 'could influence' to 'could reasonably be expected to influence'. The definition of material in IAS 8 has been replaced by a reference to the definition of material in IAS 1. In addition, the IASB amended other Standards and the Conceptual Framework that contain a definition of 'material' or refer to the term 'material' to ensure consistency.

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, with 50% of the assets and liabilities of the consortium at 31 March 2021 being included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Current assets	**149 874**	**19 361**	**12 033**	**5 685**
Inventories	149 861	2 530	12 020	743
Accounts receivables	-	8 378	-	2 460
Cash and cash equivalents	13	8 453	13	2 482
Total assets	**149 874**	**19 361**	**12 033**	**5 685**
Current liabilities	**(85 647)**	**(44 416)**	**(85 647)**	**(13 042)**
Accounts payable	(85 647)	(44 416)	(85 647)	(13 042)
Net assets/ (liabilities)	**64 227**	**(25 055)**	**(73 614)**	**(7 357)**

The Group has no commitments relating to its interest in Mkwasine. The consortium does not generate any revenue, and 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 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Operating loss	(49 277)	(74 920)	(33 155)	(7 051)

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. With the exception of inventories, accounts receivable and accounts payable, 50% of the assets and liabilities at 31 March 2021 are included in the statement of financial position. Inventories, accounts receivable and accounts payable are included in the statement of financial position in proportion to the sugar produced by the Group relative to the total industry's sugar production.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Non-current assets	**165 177**	**4 863**	**13 698**	**1 428**
Buildings, plant and equipment	74 221	130	5 709	38
Motor vehicles and implements	72 729	44	5 576	13
Right of use asset	18 227	4 689	2 413	1 377
Current assets	**910 020**	**234 641**	**557 701**	**68 900**
Inventories	407 535	110 651	55 216	32 492
Accounts receivable	199 986	55 507	199 986	16 299
Cash and cash equivalents	302 499	68 483	302 499	20 109
Total assets	**1 075 197**	**239 504**	**571 399**	**70 328**
Non-current liabilities	**(1 431)**	**(2 940)**	**(1 431)**	**(863)**
Lease liability	(1 431)	(2 940)	(1 431)	(863)
Current liabilities	**(504 931)**	**(223 852)**	**(504 931)**	**(65 733)**
Accounts payable	(502 313)	(222 045)	(502 313)	(65 202)
Lease liability	(2 618)	(1 807)	(2 618)	(531)
Total liabilities	**(506 362)**	**(226 792)**	**(506 362)**	**(66 596)**
Net assets	**568 835**	**12 712**	**65 037**	**3 732**

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Sugar revenue	15 996 973	11 960 891	12 238 099	1 600 897

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	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Non-current assets				
Property, plant and equipment	3 571	3 924	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 31.03.19 ZWL'000	Additions ZWL'000	Disposals /transfer ZWL'000	Balance 31.03.20 ZWL'000	Additions ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.21 ZWL'000
Permanent improvements	253 161	-	-	253 161	-	-	253 161
Cane roots	1 778 720	134 721	(8 916)	1 904 525	225 203	(719 285)	1 410 443
Irrigation canals, dams and equipment	1 388 392	-	-	1 388 392	-	116	1 388 508
Housing and buildings	1 566 196	-	-	1 566 196	61	330	1 566 587
Sugar factory buildings and plant	2 604 118	956	7 744	2 612 818	-	746	2 613 564
Other buildings, plant and equipment	26 658	19	-	26 677	740	(42)	27 375
Agricultural, haulage and motor vehicles and implements	932 809	876	-	933 685	10 712	3 026	947 423
Capital work in progress	194 339	16 760	(8 731)	202 368	121 165	(4 804)	318 729
Capital work in progress - strategic spares	20 508	126	-	20 634	-	-	20 634
	8 764 901	**153 458**	**(9 903)**	**8 908 456**	**357 881**	**(719 913)**	**8 546 424**

In the prior financial years, the Company recognised accelerated depreciation on cane roots that had reached the end of their useful life and had been ploughed out, such that their net book value was reduced to nil. The cane roots disposal in the current year include ZWL499 900 140 in respect of the cost of cane roots derecognised in prior years. An equal and corresponding amount of accumulated depreciation has also been derecognised to ensure that the opening balance as at 1 April 2020 represents roots still in use. The adjustment is included in the "Disposals/ transfers" column. The net book value for cane roots for all the financial years presented remains unchanged.

4.1 Cost - Property, plant and equipment

	HISTORICAL COST						
	Balance 31.03.19 ZWL'000	Additions ZWL'000	Disposals /transfer ZWL'000	Balance 31.03.20 ZWL'000	Additions ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.21 ZWL'000
Permanent improvements	5 876	-	-	5 876	-	-	5 876
Cane roots	41 463	25 210	(2 618)	64 055	128 545	(16 695)	175 905
Irrigation canals, dams and and equipment	32 234	-	-	32 234	-	93	32 327
Housing and buildings	36 394	-	-	36 394	48	263	36 705
Sugar factory buildings and plant	61 427	273	2 274	63 974	-	596	64 570
Other buildings, plant and equipment	647	1	-	648	596	(33)	1 211
Agricultural, haulage and motor vehicles and implements	21 230	257	-	21 487	9 444	2 381	33 312
Capital work in progress	3 929	2 333	(2 564)	3 698	107 571	(3 838)	107 431
Capital work in progress - strategic spares	564	36	-	600	-	-	600
	203 764	**28 110**	**(2 908)**	**228 966**	**246 204**	**(17 233)**	**457 937**

4.2 Accumulated depreciation and impairment - Property, plant and equipment

	INFLATION ADJUSTED						
	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposals /transfer ZWL'000	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.21 ZWL'000
Permanent improvements	253 161	-	-	253 161	-	-	253 161
Cane roots	859 385	175 586	(8 916)	1 026 055	168 397	(719 285)	475 167
Irrigation canals, dams and equipment	83 262	23 904	-	107 166	45 990	-	153 156
Housing and buildings	481 856	18 132	-	499 988	13 927	-	513 915
Sugar factory buildings and plant	1 339 132	243 078	(542)	1 581 668	119 934	-	1 701 602
Other buildings, plant and equipment	8 986	8 060	-	17 046	6 511	(32)	23 525
Agricultural, haulage and motor vehicles and implements	532 825	42 421	-	575 246	68 535	(167)	643 614
	3 558 607	**511 181**	**(9 458)**	**4 060 330**	**423 294**	**(719 484)**	**3 764 140**

	HISTORICAL COST						
	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposals /transfer ZWL'000	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposal /transfer ZWL'000	Balance 31.03.21 ZWL'000
Permanent improvements	5 876	-	-	5 876	-	-	5 876
Cane roots	15 084	7 010	(2 618)	19 476	12 532	(16 695)	15 313
Irrigation canals, dams and equipment	1 852	555	-	2 407	1 211	-	3 618
Housing and buildings	11 066	421	-	11 487	325	-	11 812
Sugar factory buildings and plant	30 904	5 859	(160)	36 603	3 098	-	39 701
Other buildings, plant and equipment	259	196	-	455	251	(32)	674
Agricultural, haulage and motor vehicles and implements	12 206	967	-	13 173	1 898	(167)	14 904
	77 247	**15 008**	**(2 778)**	**89 477**	**19 315**	**(16 894)**	**91 898**

4.2.1 Cane roots depreciation

Included in the cane roots depreciation charge for the year is accelerated depreciation relating to cane roots ploughed out before expiry of the estimated ratoon useful lives of 7 cycles (2020:9 ratoon cycles). 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, with almost 3 year irrigation water cover from current dam levels, the revised estimated useful life for cane roots of 7 (2020:9) ratoon cycles is attainable and consequently 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	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Accelerated depreciation	14 439	11 114	9 714	1 046

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 estimated life of 7 ratoon cycles.

		INFLATION ADJUSTED Decrease in operating profit		HISTORICAL COST Decrease in operating profit	
Variable Factor	**Estimated Useful Life**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Ratoon cycles	6 ratoons	(2 009)	(14 215)	(2 009)	(4 174)
Ratoon cycles	5 ratoons	(3 626)	(4 117)	(3 626)	(1 209)

4.3 Carrying amounts - Property, plant and equipment

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Cane roots	935 276	878 470	160 592	44 579
Irrigation canals, dams and equipment	1 235 352	1 281 226	28 709	29 827
Housing and buildings	1 052 672	1 066 208	24 893	24 907
Sugar factory buildings and plant	911 962	1 031 150	24 869	27 371
Other buildings, plant and equipment	3 850	9 631	537	194
Agricultural, haulage and motor vehicles and implements	303 809	358 439	18 408	8 314
Capital work in progress	318 729	202 368	107 431	3 698
Capital work in progress - strategic spares	20 634	20 634	600	600
	4 782 284	**4 848 126**	**366 039**	**139 490**

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. Property, plant, equipment and intangible assets (continued)

4.4 Cost - Intangible assets

	Balance 31.03.19 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.20 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.21 ZWL'000
INFLATION ADJUSTED							
Software	140 443	-	-	140 443	308	-	140 751
HISTORICAL							
Software	3 352	-	-	3 352	245	-	3 597

4.5 Accumulated amortisation - Intangible assets

	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.21 ZWL'000
INFLATION ADJUSTED							
Software	20 314	7 306	-	27 620	9418	-	37 038
HISTORICAL							
Software	478	170	-	648	227	-	875

4.6 Carrying amounts – Intangible assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Software	103 713	112 823	2 722	2 704

4.7 Cost – Right of use assets

	Balance 31.03.19 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.20 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.21 ZWL'000
INFLATION ADJUSTED							
Buildings	-	5 401	-	5 401	7 408	-	12 809
HISTORICAL COST							
Buildings	-	1 586	-	1 586	5 919	-	7 505

4.8 Accumulated Depreciation – Right of use assets

	Balance 31.03.19 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.21 ZWL'000
INFLATION ADJUSTED							
Buildings	712	-	-	712	3 029	-	3 741
HISTORICAL							
Buildings	209	-	-	209	1 775	-	1 984

4.9 Carrying amounts – Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Buildings	9 068	4 689	5 521	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. There were no indicators of impairment as at March 2021. 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.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are managements 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;

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Pre-tax Weighted Average Cost of Capital (WACC)	19.9%	26.0%	19.9%	26.0%
Long-term growth rate	0.0%	0.0%	0.0%	0.0%
Fair value less costs of disposal (ZWL'000)	11 260 175	20 121 458	11 260 175	5 908 500
Carrying amount of CGU (ZWL'000)	7 580 909	10 117 839	7 580 909	2 971 020
Impairment loss recognised in statement of comprehensive income (ZWL'000)	-	-	-	-
Headroom (ZWL'000)	3 679 266	10 003 619	3 679 266	2 937 480
Impairment loss reversed in statement of comprehensive income (ZWL'000)	-	-	-	-

Sensitivity Analysis	**INFLATION ADJUSTED**		**HISTORICAL COST**	
Variable factor	**Resulting Headroom/(impairment)**		**Resulting Headroom/(impairment)**	
	31.03.2021 ZWL'000	**31.03.2020 ZWL'000**	**31.03.2021 ZWL'000**	**31.03.2020 ZWL'000**
1% increase in long-term growth rate	4 028 739	10 589 366	4 028 739	3 109 480
1% decrease in long-term growth rate	3 367 657	9 474 062	3 367 657	2 781 980
1% increase in pre-tax discount rates	3 406 669	8 903 639	3 406 669	2 614 480
1% decrease in pre-tax discount rates	3 962 192	11 224 494	3 962 192	3 295 980

5. Investments in associate companies

Name of associate company	**Principal activity**	**Place of incorporation and operation**	**Proportion of ownership interest and voting power held**	
			31.03.21	**31.03.20**
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%

The Group's share of net assets of associates is as follows;

	INFLATION ADJUSTED		**HISTORICAL COST**	
	31.03.2021 ZWL'000	**31.03.2020 ZWL'000**	**31.03.2021 ZWL'000**	**31.03.2020 ZWL'000**
Tongaat Hulett (Botswana) (Proprietary) Limited (i)	174 751	144 188	174 751	42 340
National Chemical Products Distillers Zimbabwe (Private) Limited (ii)	114 655	83 151	24 770	6 401
	289 406	**227 339**	**199 521**	**48 741**

(i) The financial year-end is 31 March, and the associate company is equity accounted using the audited year-end financial statements. 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**	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Total non-current assets	77 166	56 960	77 166	16 726
Total current assets	676 592	479 125	676 592	140 692
Total non-current liabilities	(8 212)	(6 838)	(8 212)	(2 008)
Total current liabilities	(221 290)	(96 682)	(221 290)	(28 390)
Net Assets	**524 256**	**432 565**	**524 256**	**127 020**
Group's share of net assets of associates	174 751	144 188	174 751	42 340
Total Revenue	2 535 638	3 727 370	1 990 207	402 957
Total Profit for the period	312 867	423 650	245 567	45 800
Group's share of profit of associates (after tax)	104 289	141 216	81 856	15 267

(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 2020 have been used, and appropriate adjustments have been made for the effects of transactions between that date and 31 March 2021 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	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Total non-current assets	15 450	27 176	3 338	2 092
Total current assets	664 955	284 340	143 652	21 890
Total non-current liabilities	5 685	(3 877)	1 228	(298)
Total current liabilities	(452 099)	(137 944)	(97 668)	(10 620)
Net Assets	**233 991**	**169 695**	**50 550**	**13 064**
Group's share of net assets of associates	114 655	83 151	24 770	6 401
Total Revenue	893 470	625 373	523 008	67 608
Total Profit for the period	66 019	90 883	38 645	9 825
Group's share of profit of associates (after tax)	32 349	44 533	18 936	4 814

6. Biological assets

	INFLATION ADJUSTED			
	Standing cane ZWL'000	**Fruit orchards ZWL'000**	**Livestock ZWL'000**	**Total ZWL'000**
Balance at 31 March 2019	**2 415 075**	**7 555**	**27 654**	**2 450 284**
Fair value gain	**1 643 982**	**5 009**	**4 030**	**1 653 021**
- Gain arising from physical change	450 408	17 028	41 315	508 751
- Gain arising from price changes	216 979	-	-	216 979
- Loss due to decrease in area	(77 585)	-	-	(77 585)
Fair value adjustment on IAS 29 application	1 054 180	(12 019)	(37 285)	1 004 876
Balance at 31 March 2020	**4 059 057**	**12 564**	**31 684**	**4 103 305**
Fair value (loss)/gain	**(1 141 592)**	**36 091**	**10 090**	**(1 095 411)**
- (Loss) / gain arising from physical change	(208 760)	56 452	(7 290)	(159 598)
- Gain arising from price changes	2 827 329	10 381	55 552	2 893 262
- Loss due to decreased area	(53 833)	-	-	(53 833)
Fair value adjustment on IAS 29 application	(3 706 328)	(30 742)	(38 172)	(3 775 242)
Balance at 31 March 2021	**2 917 465**	**48 655**	**41 774**	**3 007 894**

	HISTORICAL COST			
	Standing cane ZWL'000	**Fruit orchards ZWL'000**	**Livestock ZWL'000**	**Total ZWL'000**
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 decrease in area	(2 935)	-	-	(2 935)
Balance at 31 March 2020	**1 191 908**	**3 691**	**9 302**	**1 204 901**
Fair value gain	**1 725 557**	**44 964**	**32 472**	**1 802 993**
- (Loss)/gain arising from physical change	(140 454)	37 981	(4 904)	(107 377)
- Gain arising from price changes	1 902 229	6 983	37 376	1 946 588
- Loss due to decreased area	(36 218)	-	-	(36 218)
Balance at 31 March 2021	**2 917 465**	**48 655**	**41 774**	**3 007 894**

Biological assets on hand at year end are as follows:

	31.03.21	**31.03.20**
Hectares under cane	10 268	10 590
Hectares under fruit orchards	14	14
Livestock population	758	847

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.

	31.03.21	**31.03.20**
Area under cane (hectares)	10 268	10 590
Yield (tons cane per hectare)	104	107
Average age at harvest (months)	12	12
Cane to sugar ratio	8	8

The sensitivity analyses 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 31.03.21 ZWL'000	31.03.20 ZWL'000
Price	+5%	246 458	28 788
Price	(-5%)	(246 458)	(28 788)
Yield	+5%	216 815	26 140
Yield	(-5%)	(216 815)	(26 140)
Combined	**+5%**	**463 273**	**54 928**
Combined	**(-5%)**	**(463 273)**	**(54 928)**

Variable factor	% Movement	HISTORICAL COST Increase/(decrease) in profit 31.03.21 ZWL'000	31.03.20 ZWL'000
Price	+5%	165 817	65 631
Price	(-5%)	(165 817)	(65 631)
Yield	+5%	145 873	59 595
Yield	(-5%)	(145 873)	(59 595)
Combined	**+5%**	**311 690**	**125 226**
Combined	**(-5%)**	**(311 690)**	**(125 226)**

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 sell used on the valuation of biological assets

	Standing cane ZWL	**Livestock ZWL**	**Fruit orchards ZWL**
Net realisable value 2020			
Historical costs	12 678	10 894	9
Inflation adjusted	43 174	10 894	301
Net realisable value 2021			
Historical costs	36 432	55 111	37
Inflation adjusted	36 432	55 119	37

INFLATION ADJUSTED

As at 31 March 2021 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	-	-	2 917 465	2 917 465
Fruit orchards	-	-	48 655	48 655
Livestock	41 774	-	-	41 774
	41 774	**-**	**2 966 120**	**3 007 894**
As at 31 March 2020				
Biological assets				
Standing cane	-	-	4 059 057	4 059 057
Fruit orchards	-	-	12 564	12 564
Livestock	31 684	-	-	31 684
	31 684	**-**	**4 071 621**	**4 103 305**

HISTORICAL COST

As at 31 March 2021 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	-	-	2 917 465	2 917 465
Fruit orchards	-	-	48 655	48 655
Livestock	41 774	-	-	41 774
	41 774	**-**	**2 966 120**	**3 007 894**
As at 31 March 2020				
Biological assets				
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**

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	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Trade Receivables				
Sugar receivables	496 815	452 459	496 815	141 435
Molasses receivables	2 547	1 928	2 547	1 417
Allowance for credit losses	(9 652)	(16 249)	(9 652)	(2 687)
	489 710	**438 138**	**489 710**	**140 165**
Other Receivables				
Prepayments	520 358	428 448	478 246	86 467
VAT receivable	26 698	91 436	26 698	26 850
Staff receivables	9 502	3 768	9 502	1 107
Private farmers	19 871	8 670	(28 772)	2 546
Sundry	1 020 507	101 367	1 111 262	6 067
Allowance for credit losses	(93 095)	(39 197)	(93 095)	(11 510)
	1 503 841	**594 492**	**1 503 841**	**111 527**
Total trade and other receivables	**1 993 551**	**1 032 630**	**1 993 551**	**251 692**

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 counterparty.

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 14 days (2020:7days) 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 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 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 default assigned to various customer segments for the purpose of computing expected credit losses for financial years ended 31 March 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	3%	10%	50%	100%
Long-term receivable	-	-	-	3%

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

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Balance at the beginning of the year	55 446	22 582	14 197	6 631
Increase in expected credit losses on receivables	47 302	32 864	88 550	7 566
Balance at end of year	**102 747**	**55 446**	**102 747**	**14 197**

8. Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Stores	1 143 401	945 146	1 026 635	134 714
Sugar and by products	897 660	546 175	942 154	250 159
	2 041 061	**1 491 321**	**1 968 789**	**384 873**

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Provision for obsolescence	1 370	4 666	1 370	1 370

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 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Molasses stock	6 290	2 469	6 290	725

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.

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 and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange.

9.3 Other components of equity

INFLATION ADJUSTED	Foreign currency translation reserve ZWL'000	Other non-distributable reserve ZWL'000	Total ZWL'000
Balance at 31 March 2019	**(7 344)**	**(19 227)**	**(26 571)**
Exchange gain on translation of equity in foreign associated company net of tax	(35 269)	(71 680)	(106 949)
Deferred tax on post-acquisition of foreign associated company	-	(71 680)	(71 680)
Revaluation of original investment	-	-	-
Revaluation of opening post-acquisition reserves	(35 269)	-	(35 269)
Balance at 31 March 2020	**(42 613)**	**(90 907)**	**(133 520)**
Exchange loss on translation of equity in foreign associated company net of tax	38 173	(35 743)	2 430
Deferred tax on post-acquisition of foreign associated company	-	(35 743)	(35 743)
Revaluation of original investment	(217)	-	(217)
Revaluation of opening post-acquisition reserves	38 390	-	38 390
Balance at 31 March 2021	**(4 440)**	**(126 650)**	**(131 090)**

9.3 Other components of equity (continued)

HISTORICAL COST

	Foreign currency translation reserve ZWL'000	Other non-distributable reserve ZWL'000	Total ZWL'000
Balance at 31 March 2019	**2 136**	**51 375**	**53 511**
Exchange gain on translation of equity in foreign associated company net of tax	31 983	(6 746)	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	**34 119**	**44 629**	**78 748**
Exchange loss on translation of equity in foreign associated company net of tax	154 893	(24 047)	130 846
Deferred tax on post-acquisition of foreign associated company	-	(24 047)	(24 047)
Revaluation of original investment	(2 389)	-	(2 389)
Revaluation of opening post-acquisition reserves	157 282	-	157 282
Balance at 31 March 2021	**189 012**	**20 582**	**209 594**

10. Deferred tax liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	**As at 31.03.20 ZWL'000**	**As at 31.03.21 ZWL'000**	**As at 31.03.20 ZWL'000**
Balance at the beginning of the year	2 220 413	1 746 943	342 174	48 451
Transfer to retained earnings arising from actuarial gain on post retirement provision	(91 861)	22 974	24 047	6 746
Transfer to capital reserve arising from exchange gain on translation of equity in foreign associated company	(56 119)	(53 558)	(61 804)	(15 727)
Debit arising on originating temporary differences	(255 674)	551 508	451 007	316 639
Income tax rate change	-	(47 454)	-	(13 935)
Balance at the end of the year	**1 816 759**	**2 220 413**	**755 424**	**342 174**
Deferred tax comprises the tax effect of temporary differences arising from:				
Property, plant and equipment	154 916	217 122	64 416	33 459
Pre-payments, provisions and exchange differences	(202 824)	20 229	(84 336)	3 117
Biological assets	1 788 206	1 932 798	743 551	297 852
Accumulated profit of foreign associated company	76 461	50 264	31 793	7 746
Balance at the end of the year	**1 816 759**	**2 220 413**	**755 424**	**342 174**

11. Trade and other payables

	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Trade payables	995 560	902 538	995 560	277 555
Other payables	811 036	173 260	811 036	42 811
Payroll creditors	131 465	49 887	131 465	14 856
	1 938 061	**1 125 685**	**1 938 061**	**335 222**

11. Trade and other payables (continued)

Trade payables comprise amounts outstanding for trade purchases. The average credit period taken to settle trade purchases is 7 days. The majority of trade payables do not accrue interest. Other payables comprise amount owing to ZIMRA per note 17.3.1, 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 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. The liabilities are summarized as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Post-retirement medical aid provisions (note 12.1.1)	161 729	36 643	161 729	10 760
Retirement gratuity (note 12.1.2)	195 112	210 238	195 112	61 735
	356 841	**246 881**	**356 841**	**72 495**

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 2021 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Net liability at the beginning of year	**10 760**	**11 282**	**10 760**	**3 313**
Actuarial loss included in other comprehensive income:	**145 755**	**24 775**	**145 755**	**7 275**
From changes in financial assumptions	-	(140)	-	(41)
From changes in experience items during the year	145 755	24 915	145 755	7 316
Net expense recognized in profit and loss	**5 926**	**1 121**	**5 926**	**329**
Current service cost	267	337	267	99
Interest cost	5 659	784	5 659	230
Less benefits paid during the year	(712)	(535)	(712)	(157)
Net liability at the end of the year	**161 729**	**36 643**	**161 729**	**10 760**
The principal actuarial assumptions applied are:				
Discount rate	6.5%	6.9%	6.5%	6.9%
Health care cost inflation rate	5.0%	5.4%	5.0%	5.4%
Weighted average duration of the obligation	16.8 years	16.1 years	16.8 years	16.1 years

Sensitivity analysis (based on varying individual input)

	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(7 887)	(1 185)	(7 887)	(348)
1% increase in trend rate - decrease in the obligation	(13 203)	(2 642)	(13 203)	(776)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	11 585	2 138	11 585	628
1% decrease in trend rate - increase in the obligation	19 279	3 661	19 279	1 075
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	(12 950)	(2 357)	(12 950)	(692)
1% increase in trend rate - increase in the obligation	(21 506)	(4 018)	(21 506)	(1 180)
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	10 685	1 965	10 685	577
1% decrease in trend rate - decrease in the obligation	17 789	3 368	17 789	989
Estimated contributions payable in the next financial year	**3 792**	**930**	**3 792**	**273**

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 a post-retirement social security benefit, provided to eligible employees by the Group on account of the services provided by them for a period in excess of 10 years. 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 2021 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.20 ZWL'000
Liability at the beginning of year	**61 735**	**17 068**	**61 735**	**5 012**
Actuarial loss included in other comprehensive income:	104 263	191 885	104 263	56 346
From changes in financial assumptions	-	14	-	4
From changes in experience items during the year	104 263	191 872	104 263	56 342
Net expense recognised in profit and loss	**36 387**	**2 085**	**36 387**	**612**
Current service cost	3 657	8 76	3 657	257
Interest cost	32 730	1 209	32 730	355
Less benefits paid during the year	(7 273)	(800)	(7 273)	(235)
Liability at the end of the year	**195 112**	**210 258**	**195 112**	**61 735**

The principal actuarial assumptions applied are:				
Discount rate	6.3%	6.5%	6.3%	6.5%
Salary inflation rate	61%	1 104.0%	61%	1 104.0%
Weighted average duration of the obligation	10.6 years	10.9 years	10.9 years	10.9 years

12. Provisions (continued)

12.1.2 Retirement gratuity (continued)

Sensitivity analysis (based on varying individual input)

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(9 818)	(5 353)	(9 818)	(1 572)
1% increase in trend rate - decrease in the obligation	(12 422)	(10 911)	(12 422)	(3 204)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	11 321	6 198	11 321	1 820
1% decrease in trend rate - increase in the obligation	14 291	12 488	14 291	3 667
Sensitivity of discount rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	10 890	8 200	10 890	2 408
1% increase in trend rate - increase in the obligation	13 724	11 967	13 724	3 514
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	(9 616)	(7 278)	(9 616)	(2 137)
1% decrease in trend rate - decrease in the obligation	(12 148)	(10 649)	(12 148)	(3 127)
Estimated contributions payable in the next financial year	**6 222**	**4 662**	**6 222**	**1 369**

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	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Balance at the beginning of the year	3 641	60 599	3 641	3 200
Increase during the year	35 321	4 690	35 321	441
Balance at the end of the year	**38 962**	**65 289**	**38 962**	**3 641**

12. Provisions (continued)

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 Group also leases office equipment (office printers) with an average lease term of 4 years.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Maturity analysis – contractual undiscounted cash flows				
Due within one year	5 202	2 050	5 202	602
Due within one to two years	3 735	2 050	3 735	602
Due within two to three years	2 268	1 025	2 268	301
Total undiscounted lease liabilities at 31 March	**11 205**	**5 125**	**11 205**	**1 505**
Lease liabilities included in the statement of financial position	**7 512**	**4 747**	**7 512**	**1 394**
Analysed as follows :				
Current liability	3 197	1 807	3 197	531
Non-current liability	4 315	2 940	4 315	863
Amounts recognised in profit or loss				
Interest accrued on lease liabilities	231	123	231	36
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	5 209	776	5 209	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	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Loans from:				
- First Capital Bank (i)	-	68 110	-	20 000
	-	**68 110**	**-**	**20 000**
Short-term	-	68 110	-	20 000
	-	**68 110**	**-**	**20 000**

Summary of borrowing arrangements

(i) The facility consisted of a short-term renewable loan bearing interest of 55% per annum (2020: 30% 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			
	31.03.20 ZWL'000	**Financing cash flows (i) ZWL'000**	**Non cash changes ZWL'000**	**31.03.21 ZWL'000**
Bank loans	68 110	(68 110)	-	-

	HISTORICAL COST			
	31.03.20 ZWL'000	**Financing cash flows (i) ZWL'000**	**Non cash changes ZWL'000**	**31.03.21 ZWL'000**
Bank loans	20 000	(20 000)	-	-

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

15. Operating Profit

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Revenue	16 752 409	12 505 176	12 854 238	1 682 340
Fair value (loss)/gain on biological assets	(1 095 411)	1 653 021	1 802 993	1 112 228
Turnover	**15 656 998**	**14 158 197**	**14 657 231**	**2 794 568**
Cost of sales	**6 922 437**	**4 093 554**	**5 445 559**	**661 744**
Agricultural and mill chemicals	897 045	80 111	407 535	31 966
Cane purchases	5 374 928	824 535	2 733 981	329 002
Depreciation and amortisation	423 294	491 724	19 317	9 091
Staff costs	1 555 886	1 208 510	1 144 734	177 172
Maintenance and other direct production costs	(1 328 716)	1 488 674	1 139 992	114 513
Gross profit	**8 734 561**	**10 064 643**	**9 211 672**	**2 132 824**
Marketing and selling expenses	**2 474 978**	**2 085 389**	**1 876 435**	**270 209**
Administration costs	**2 395 691**	**1 658 531**	**1 882 685**	**252 442**
Audit fees - external	38 403	49 603	32 443	9 971
- internal	8 761	6 320	7 174	1 270
Depreciation and amortisation	12 447	27 476	1 794	3 469
Depreciation of right of use asset	3 029	712	1 775	209
Staff costs	663 268	952 200	740 999	87 720
Maintenance and other administration costs	1 669 783	622 220	1 098 500	149 803
Other operating costs	**58 971**	**1 000 571**	**63 053**	**36 652**
Loss on disposal of property, plant, equipment and intangible assets	76	444	49	130
Exchange loss	59 923	1 005 689	63 839	41 589
Other sundry income	(1 028)	(5 562)	(835)	(5 067)
Operating profit	**3 804 921**	**5 320 152**	**5 389 499**	**1 573 521**

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 2021 (2020: 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 income/(costs)

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Interest received	251 204	260 172	313 506	584
Interest paid	(161 031)	(363 600)	(108 947)	(10 745)
	90 173	**(103 428)**	**204 559**	**(10 161)**

17. Income tax expense

17.1 Income tax expense

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Normal tax	**(1 403 280)**	**(748 435)**	**(1 023 061)**	**(102 450)**
Current year normal tax	(1 403 280)	(748 435)	(1 023 061)	(102 450)
Movement in deferred taxation	**347 536**	**(591 929)**	**(451 006)**	**(302 704)**
Movement in current year deferred taxation	385 293	(637 137)	(413 249)	(307 658)
Transfer to non-distributable reserve	24 047	71 680	24 047	6 746
Tax rate change	-	68 957	-	13 935
Transfer from retained earnings	(61 804)	(95 429)	(61 804)	(15 727)
Charged to group statement of profit or loss	**(1 055 744)**	**(1 340 364)**	**(1474 067)**	**(405 154)**

17.2 Reconciliation of tax rate

	%	%	%	%
Statutory tax rate	24.72	24.72	24.72	24.72
Tax effect of associate results reported net of tax	(1.55)	(0.75)	(1.14)	(0.22)
Tax effect of income exempt from tax	1.43	-	0.96	-
Tax effect of expenses not deductible for tax purposes	3.64	3.20	1.35	0.94
Tax effect of inflation adjustment	20.16	8.50	-	-
Tax effect of rate changes	-	(1.50)	-	(0.44)
Effective tax rate	**48.40**	**34.17**	**25.89**	**25.88**

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

17.3 Key outstanding tax matters

17.3.1 VAT on 'milling services'

During the year ended 31 March 2019, 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 and subsequently to the supreme court, where it was heard and judgement was reserved. The Company agreed to a no-prejudice payment while awaiting final determination by the Courts which has since been settled.

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 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Profit for the year	**1 125 717**	**2 582 757**	**4 220 783**	**1 178 287**
Adjustments:				
Loss on disposal of property, plant and equipment	76	444	49	130
Headline earnings	**1 125 793**	**2 583 201**	**4 220 832**	**1 178 417**
Weighted average number of shares in issue ('000 shares)	193 021	193 021	193 021	193 021
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	583.2	1 338.1	2 186.7	610.4
Headline earnings per share	583.2	1 338.3	2 186.7	610.5

19. Dividends

The Board declared and paid an interim dividend of ZWL121 cents per share during the year ended 31 March 2021. In view of the Company's positive financial performance for the year ended 31 March 2021, the Board declared a final dividend of ZWL124 cents per share for the year ended 31 March 2021 payable in respect of all the ordinary shares of the Company. This dividend will be payable in full on or around 15 July 2021 to all Shareholders of the Company registered at the close of business on 9 July 2021.

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Dividend payable at the beginning of the year	-	-	-	1 394
Dividend declared	393 175	-	303 037	-
Dividend paid	(393 175)	-	(303 037)	(1 394)
Dividend not yet paid	**-**	**-**	**-**	**-**

20. Notes to the Group statement of cash flows

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
20.1 Cash generated from operations				
Profit before tax	3 804 921	5 320 152	5 389 499	1 573 521
Depreciation and amortisation	435 740	519 200	21 319	12 769
Exchange loss	57 519	(47 088)	152 894	(6 410)
Net movement in post retirement provisions	(261 647)	(647 561)	34 329	612
Gross movement in provisions	109 960	28 446	284 347	64 233
Movement attributable to reserves	(371 607)	(676 007)	(250 018)	(63 621)
Net monetary loss	(1 850 271)	(1 479 352)	-	-
Loss on disposal of property, plant and equipment	76	444	49	130
Fair value loss/(gain) on biological assets	1 095 411	(1 653 021)	(1 802 993)	(1 112 228)
Share based payments	7 219	-	7 219	-
	3 288 968	**2 012 774**	**3 802 316**	**468 394**

20.2 Changes in working capital

Increase in inventories	(549 740)	(335 997)	(1 583 916)	(343 027)
(Increase)/decrease in accounts receivables	(891 320)	540 349	(1 741 860)	(181 343)
Increase /(decrease) in accounts payable	785 412	(771 571)	1 575 875	291 454
(Decrease)/increase in leave pay provision	(26 327)	9 279	35 321	441
	(681 975)	**(557 940)**	**(1 714 580)**	**(232 475)**

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

Carrying amount of property, plant, equipment and intangible assets disposed of	120	130	93	130
Loss on disposal	(76)	(130)	(49)	(130)
Proceeds from disposal	**44**	**-**	**44**	**-**

21. Directors' emoluments

In respect of services as Directors	15 624	18 850	12 785	1 774
In respect of managerial services	40 921	21 152	27 537	3 056
Audit committee fees	4 124	3 273	3 395	308
	60 669	**43 275**	**43 717**	**5 138**

22. Employee benefit expense

Wages and salaries	2 665 299	2 758 472	1 793 215	259 606
Pension cost – defined contribution plans	51 330	72 902	34 535	6 861
Other employee benefits	385 120	332 879	259 109	31 328
	3 101 749	**3 164 253**	**2 086 859**	**297 795**

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	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Sugar revenue	15 996 973	11 960 891	12 238 099	1 600 897

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

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Trade accounts receivables/(payables):				
Triangle Limited - loan receivable (i)	445 951	28 007	445 951	8 224
NCPDZ- Associate Company	1 726	-	1 726	-
Tongaat Hulett Botswana (Proprietary) Limited - Associate Company	-	10 196	-	2 994
Tongaat Hulett Limited (Tongaat Hulett) - Parent Company	(256 206)	100 749	(256 206)	29 584
Borrowings:				
Triangle Limited	-	(28 007)	-	(8 224)

(i) The Group has a back to back related party loan facility with Triangle. The advance at 31 March 2021 is denominated in United States dollars and accrues interest at a rate of 7.5% per annum. The terms of agreement are at arms' length.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Triangle Limited				
- Revenue	261 095	256 636	175 665	75 359
- Operating expenses	(73 463)	(103 163)	(49 426)	(30 293)
- Interest	6 110	(19 033)	4 111	(5 589)
- Directors' fees	(8 211)	(4 550)	(5 524)	(1 336)
	185 531	129 890	124 826	38 141
Tongaat Hulett				
- Group support service fees	128 940	-	128 940	-

Tongaat Hulett provides support services to the Group, comprising inter alia technical support, procurement services, IT services, internal audit, and risk management oversight. 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 services and purchases are conducted at arms' length.

Sales to Associated Companies

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
- NCPDZ	10 560	1 732	1 726	3 101
- Tongaat Hulett Botswana (Proprietary) Limited	385 333	207 677	266 967	36 479
	395 893	**209 409**	**268 693**	**39 580**

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	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Short-term benefits	126 827	122 535	85 329	11 532
Post-employment benefits	4 084	5 377	2 748	506
	130 911	**127 912**	**88 077**	**12 038**

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 activities mainly compromise the planting, maintenance, harvesting and haulage of cane to the mill. Milling activities mainly comprise 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.

Revenue 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 2021 is as follows:

	INFLATION ADJUSTED			
	Agriculture ZWL'000	Milling ZWL'000	Gaming and other farming activities ZWL'000	Total ZWL'000
Total segment revenue	9 238 703	16 506 775	89 161	25 834 639
Inter segment revenue	(10 158 537)	-	(19 104)	(10 177 641)
Fair value loss on biological assets	1 075 683	-	19 728	1 095 411
Revenue from external customers	**155 849**	**16 506 775**	**89 785**	**16 752 409**
Adjusted EBITDA	3 181 503	2 213 954	59 385	5 336 072
Fair value loss on biological assets	(1 075 683)	-	(19 728)	(1 095 411)
Depreciation and amortisation	(334 568)	(100 740)	(432)	(435 740)
Operating profit	**1 771 252**	**2 113 214**	**79 545**	**3 804 921**
Total non-current assets	**2 795 810**	**118 064**	**972 122**	**4 885 996**

25. Segmental reporting (continued)

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

	31.03.21 ZWL'000
Segment non-current assets for reportable segments	4 885 996
Right of use asset	9 068
Unallocated: Investments in associated companies	289 407
Total non-current assets per statement of financial position	**5 184 471**

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

	INFLATION ADJUSTED			
	Agriculture ZWL'000	Milling ZWL'000	Gaming and other farming activities ZWL'000	Total ZWL'000
Total segment revenue	14 476 762	12 317 318	210 760	27 004 840
Inter segment revenue	(12 826 270)	-	(20 373)	(12 846 643)
Fair value gain on biological assets	(1 635 689)	-	(17 332)	(1 653 021)
Revenue from external customers	**14 803**	**12 317 318**	**173 055**	**12 505 176**
Adjusted EBITDA	3 077 023	1 105 609	3 699	4 186 331
Fair value gain on biological assets	1 635 689	-	17 332	1 653 021
Depreciation and amortisation	(299 361)	(115 415)	(104 424)	(519 200)
Operating profit/(loss)	**4 413 351**	**990 194**	**(83 393)**	**5 320 152**
Total non-current assets	**2 954 086**	**847 043**	**1 159 820**	**4 960 949**

'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	4 960 949
Long-term receivables	76 791
Right of use asset	4 689
Unallocated: Investments in associated companies	227 339
Total non-current assets per statement of financial position	**5 269 768**

Included in revenues arising from direct sales by the milling segment are revenues of approximately ZWL1 430 159 248 (2020: ZWL387 404 336) realised from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in 2021.

25. Segmental reporting (continued)

Segment information for the reportable segments for the year ended 31 March 2021 is as follows:

	HISTORICAL COST			
	Agriculture ZWL'000	Milling ZWL'000	Gaming and other farming activities ZWL'000	Total ZWL'000
Total segment revenue	7 088 920	12 713 368	68 415	19 870 703
Inter segment revenue	(5 198 813)	-	(14 659)	(5 213 472)
Fair value gain on biological assets	(1 770 522)	-	(32 471)	(1 802 993)
Revenue from external customers	**119 585**	**12 713 368**	**21 285**	**12 854 238**
	-	-	-	-
Adjusted EBITDA	2 150 869	1 496 754	(40 147)	3 607 476
Fair value gain on biological assets	1 770 522	-	32 471	1 802 993
Depreciation and amortisation	(16 101)	(4 848)	(21)	(20 970)
Operating profit/(loss)	**3 905 290**	**1 491 906**	**(7 697)**	**5 389 499**
Total non-current assets	**211 008**	**84 384**	**73 369**	**368 761**

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

	31.03.21 ZWL'000
Segment non-current assets for reportable segments	368 761
Unallocated: Investments in associated companies	199 521
Right of use asset	5 521
Total non-current assets per statement of financial position	**573 803**

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

	HISTORICAL COST			
	Agriculture ZWL'000	Milling ZWL'000	Gaming and other farming activities ZWL'000	Total 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	**1 486 464**	**85 395**	**1 662**	**1 573 521**
Total non-current assets	**84 672**	**24 279**	**33 243**	**142 194**

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

26. Directors' shareholding

Ordinary shares held by Directors	**Number of shares held 31.03.21**	**Number of shares held 31.03.20**
Non-beneficial shareholding		
L R Bruce	100	100
J P Maposa	100	100
Total Directors' shareholding	**200**	**200**

27. Capital expenditure commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Commitments for capital expenditure				
Contracted for	187 248	183 169	187 248	53 786
Authorised but not contracted for	15 681	51	15 681	15
	202 929	**183 220**	**202 929**	**53 801**

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, totalling 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 being finalised. 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

During the current year, the Group's milling license which had previously expired was renewed for another twenty-year period ending December 2040. The preparation of the Group's financial statements on a going concern basis is therefore still appropriate.

28.1.3 Impact of Covid-19

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 20 May 2021 following a successful off-crop program. The trajectory and impacts of Covid-19 are uncertain. As part of its risk mitigation strategy, the Company 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; and
   - 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.
8. Vaccination of employees.

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 initially 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 2020. 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	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Debt (i)	4 315	71 050	4 315	20 863
Cash and bank balances	(885 745)	(406 015)	(885 745)	(119 223)
Net cash	**(881 430)**	**(334 965)**	**(881 430)**	**(98 360)**
Equity (ii)	8 802 779	8 367 296	5 181 174	1 340 540
Debt plus Equity	8 807 094	8 438 346	5 185 489	1 361 403
Gearing ratio (gross debt)	**0.05%**	**0.84%**	**0.08%**	**1.53%**
Net debt to equity ratio	**N/A**	**N/A**	**N/A**	**N/A**

(i) Debt is defined as long-term and short-term borrowings and lease liabilities.
(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	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
Financial assets				
Amortised cost				
Cash and cash equivalents	885 745	406 015	885 745	119 223
Financial assets in trade and other receivables	1 446 495	512 746	1 488 607	138 375
Total trade and other receivables (note 7)	1 993 551	1 032 630	1 993 551	251 692
Less: Pre-payments	(520 358)	(428 448)	(478 246)	(86 467)
VAT	(26 698)	(91 436)	(26 698)	(26 850)
	2 332 240	**918 761**	**2 374 352**	**257 598**
Financial liabilities				
Amortised cost				
Trade and other payables (note 11)	1 938 060	1 125 685	1 938 060	314 082
Borrowings (note 14)	-	68 110	-	20 000
Lease liabilities (note 13)	7 512	4 751	7 512	1 394
	1 945 572	**1 198 546**	**1 945 572**	**335 476**

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 Risk Management Committee 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	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Change by 1%				
Statement of Profit or Loss	465	3 636	(823)	107

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. Due to the unavailability of forward exchange contracts and other hedging instruments, the Group is unable 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	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Great British Pound (GBP)	(194)	194	-	-
United States Dollar (US$)	(8)	34	135 838	451 125
South African Rand (ZAR)	22 845	14 581	1 872	3 315
	22 643	**14 809**	**137 710**	**454 440**

HISTORICAL COST

	Liabilities		Assets	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Great British Pound (GBP)	(194)	57	-	-
United States Dollar (US$)	(8)	10	135 838	58 105
South African Rand (ZAR)	22 845	4 281	1 872	427
	22 643	**4 348**	**137 710**	**58 532**

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**	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Change by 10%				
Statement of comprehensive income	(13 603)	19 786	(2 097)	385

HISTORICAL COST	**US$ Impact (Decrease)/Increase**		**ZAR Impact (Decrease)/Increase**	
	31.03.21 ZWL'000	**31.03.20 ZWL'000**	**31.03.21 ZWL'000**	**31.03.20 ZWL'000**
Change by 10%				
Statement of comprehensive income	(13 603)	19 786	(2 097)	385

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
31.03.21						
Non-interest bearing	-	1 938 061	-	-	-	**1 938 061**
Fixed rate loans						
First Capital Bank	-	-	-	-	-	**-**
		1 938 061	**-**	**-**	**-**	**1 938 061**

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	-	1 125 685	-	-	-	**1 125 685**
Fixed rate loans						
First Capital Bank - US$	-	-	-	68 110	-	**68 110**
		1 125 685	**-**	**68 110**	**-**	**1 193 795**

29.11.1 Liquidity and interest risk tables (continued)

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
31.03.21						
Non-interest bearing	-	1 938 061	-	-	-	**1 938 061**
Fixed rate loans						
First Capital Bank	-	-	-	-	-	**-**
		1 938 061	**-**	**-**	**-**	**1 938 061**

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	-	335 222	-	-	-	**335 222**
Fixed rate loans						
First Capital Bank - US$	-	-	-	20 000	-	**20 000**
		335 222	**-**	**20 000**	**-**	**355 222**

29. Financial instruments (continued)

29.11.2 Financial facilities

Unsecured loan facilities with various maturity dates through to 31 March 2021 and which may be extended by mutual agreement.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
First Capital Bank				
- amount used	-	68 110	-	20 000
- amount unused	40 000	-	40 000	-
	40 000	**68 110**	**40 000**	**20 000**
Standard Chartered Bank				
- amount used	-	-	-	-
- amount unused	-	24 520	-	7 200
	-	**24 520**	**-**	**7 200**
CBZ Bank				
- amount used	-	-	-	-
- amount unused	50 000	25 541	50 000	7 500
	50 000	**25 541**	**50 000**	**7 500**
Stanbic Bank				
- amount used	-	-	-	-
- amount unused	220 000	66 407	220 000	19 500
	220 000	**66 407**	**220 000**	**19 500**
Banc ABC				
- amount used	-	-	-	-
- amount unused	20 000	51 083	20 000	15 000
	20 000	**51 083**	**20 000**	**15 000**
Total facilities available				
Analysed as follows:	**330 000**	**235 661**	**330 000**	**69 200**
- total amount used	-	68 110	-	20 000
- total amount unused	330 000	167 551	330 000	49 200

30. 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 89 to 92. Consequently, the Directors believe that the Group financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) in all material respects.

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

INFLATION ADJUSTED	31.03.21 Group ZWL'000	31.03.21 Company ZWL'000	31.03.21 Difference ZWL'000	31.03.20 Group ZWL'000	31.03.20 Company ZWL'000	31.03.20 Difference ZWL'000
Net assets						
Investment in associate companies (i)	289 406	93 857	195 549	227 339	93 857	133 482
Inventories - stores (ii)	1 143 401	1 143 133	268	945 146	945 116	30
Accounts receivable - other (iii)	1 503 841	1 503 509	332	594 492	594 348	144
Deferred tax liabilities (iv)	(1 816 759)	(1 784 966)	(31 793)	(2 220 413)	(2 148 733)	(71 680)
Net difference			**164 356**			**61 976**
Equity						
Profit for the year (v)	1 125 717	1 025 766	99 951	2 582 757	2 533 269	49 488
Retained earnings at beginning of the year (vi)	7 835 549	7 730 960	104 589	5 761 690	5 706 589	55 101
Non-distributable reserves (vii)	(131 090)	(90 907)	(40 183)	(133 520)	(90 907)	(42 613)
Net difference			**164 356**			**61 976**

HISTORICAL COST	31.03.21 Group ZWL'000	31.03.21 Company ZWL'000	31.03.21 Difference ZWL'000	31.03.20 Group ZWL'000	31.03.20 Company ZWL'000	31.03.20 Difference ZWL'000
Net assets						
Investment in associate companies (i)	199 521	1 718	197 803	48 741	1 718	47 023
Inventories - stores (ii)	1 026 635	1 026 454	181	134 714	134 705	9
Accounts receivable - other (iii)	1 503 841	1 504 065	(224)	111 527	111 568	(41)
Deferred tax liabilities (iv)	(755 424)	(723 898)	(31 526)	(342 174)	(334 694)	(7 480)
Net difference			**166 234**			**39 511**
Equity						
Profit for the year (v)	4 220 783	4 224 904	(4 121)	1 178 287	1 168 623	9 664
Retained earnings at beginning of the year (vi)	1 246 350	1 234 795	11 555	115 957	114 064	1 893
Non-distributable reserves (vii)	209 594	50 794	158 800	78 748	50 794	27 954
Net difference			**166 234**			**39 511**

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).

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.21 ZWL'000	**Year ended 31.03.20 ZWL'000**	**Year ended 31.03.21 ZWL'000**	**Year ended 31.03.20 ZWL'000**
Group cash generated from operations	3 288 968	2 012 774	3 802 316	468 394
Add Chiredzi Township loss	11	11	7	3
Add Tongaat Hulett Botswana dividend	112 743	110 667	104 906	10 415
Inventory and receivables movement	(611)	(184)	36	30
Company cash generated from operations	**3 401 111**	**2 123 268**	**3 907 265**	**478 842**
Group changes in working capital	(681 975)	(557 940)	(1 714 580)	(232 475)
Inventory movement	268	30	181	9
Receivables movement	332	143	(224)	-
Payables movement	-	-	-	(42)
Company changes in working capital	**(681 375)**	**(557 767)**	**(1 714 623)**	**(232 508)**

Company Statement of Financial Position

As at 31 March 2021

		INFLATION ADJUSTED		HISTORICAL COST*	
		31.03.21 ZWL'000	31.03.20 ZWL'000	31.03.21 ZWL'000	31.03.20 ZWL'000
ASSETS	**Notes**				
Non-current assets		**4 988 922**	**5 136 286**	**376 000**	**167 838**
Property, plant and equipment	4.3	4 782 284	4 848 126	366 039	139 490
Intangible assets	4.6	103 713	112 823	2 722	2 704
Investments in associate companies	30.1	93 857	93 857	1 718	1 718
Long-term receivable		-	76 791	-	22 549
Right of use asset	4.7	9 068	4 689	5 521	1 377
Current assets		**7 927 651**	**7 033 097**	**7 856 022**	**1 960 721**
Biological assets	6	3 007 894	4 103 305	3 007 894	1 204 901
Inventories - stores	30.1	1 143 133	945 116	1 026 454	134 705
- sugar	8	897 660	546 175	942 154	250 159
Accounts receivable - trade	7.1	489 710	438 138	489 710	140 165
- other	30.1	1 503 509	594 348	1 504 065	111 568
Cash and cash equivalents		885 745	406 015	885 745	119 223
Total assets		**12 916 573**	**12 169 383**	**8 232 022**	**2 128 559**
EQUITY AND LIABILITIES					
Capital and reserves		**8 638 422**	**8 305 320**	**5 014 939**	**1 301 029**
Issued capital	9.1	665 267	665 267	15 442	15 442
Other components of equity	30.1	(90 907)	(90 907)	50 794	50 794
Retained earnings		8 064 062	7 730 960	4 948 703	1 234 794
Non-current liabilities		**2 146 122**	**2 398 554**	**1 085 054**	**408 052**
Deferred tax liabilities	30.1	1 784 966	2 148 733	723 898	334 694
Provisions	12.1	356 841	246 881	356 841	72 495
Lease liabilities	13	4 315	2 940	4 315	863
Current liabilities		**2 132 029**	**1 465 509**	**2 132 029**	**419 478**
Trade and other payables	11	1 938 061	1 125 685	1 938 061	335 222
Leave pay provision	12.2	38 962	65 289	38 962	3 641
Borrowings	14.1	-	68 110	-	20 000
Current tax liability		151 809	204 618	151 809	60 084
Lease liabilities	13	3 197	1 807	3 197	531
Total equity and liabilities		**12 916 573**	**12 169 383**	**8 232 022**	**2 128 559**

* 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 2021

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Revenue		16 752 409	12 505 176	12 854 238	1 682 340
Fair value (loss)/gain on biological assets	6	(1 095 411)	1 653 021	1 802 993	1 112 228
Turnover		**15 656 998**	**14 158 197**	**14 657 231**	**2 794 568**
Cost of sales	15	(6 922 437)	(4 093 554)	(5 445 559)	(661 744)
Gross profit		**8 734 561**	**10 064 643**	**9 211 672**	**2 132 824**
Marketing and selling expenses	15	(2 474 978)	(2 085 389)	(1 876 435)	(270 209)
Administrative and other expenses		(2 395 700)	(1 658 562)	(1 882 678)	(252 440)
Other operating costs		(58 971)	(10 00 571)	(63 053)	(36 652)
Operating profit		**3 804 912**	**5 320 121**	**5 389 506**	**1 573 523**
Dividends received		112 743	110 667	104 906	10 415
Net monetary loss		(1 926 318)	(1 453 728)	-	-
Net finance income/(costs)	16	90 173	(103 427)	204 559	(10 161)
Finance cost		(161 031)	(363 600)	(108 947)	(10 745)
Finance income		251 204	260 172	313 506	584
Profit before tax		**2 081 510**	**3 873 633**	**5 698 971**	**1 573 777**
Income tax expense		(1 055 744)	(1 340 364)	(1 474 067)	(405 154)
Profit for the year		**1 025 766**	**2 533 269**	**4 224 904**	**1 168 623**
Other comprehensive income, net of tax					
Items that will not be reclassified subsequently to profit or loss		-	-	-	-
- Actuarial loss on post retirement provision		(279 746)	(508 898)	(188 213)	(47 894)
Total comprehensive income for the year		**746 020**	**2 024 371**	**4 036 691**	**1 120 729**
Basic and diluted earnings per share (ZWL cents)		531.4	1 312.4	2 188.8	605.4

* 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 2021

INFLATION ADJUSTED

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2019	**665 267**	**(90 907)**	**5 706 589**	**6 280 949**
Comprehensive income for the year	-	-	**2 024 371**	**2 024 371**
Profit for the year	-	-	2 533 269	2 533 269
Other comprehensive loss	-	-	(508 898)	(508 898)
Dividend				
Balance at 31 March 2020	**665 267**	**(90 907)**	**7 730 960**	**8 305 320**
Comprehensive income for the year	-	-	746 020	746 020
Profit for the year	-	-	1 025 766	1 025 766
Other comprehensive loss	-	-	(279 746)	(279 746)
Share based payment	-	-	(19 745)	(19 745)
Dividend	-	-	(393 173)	(393 173)
Balance at 31 March 2021	**665 267**	**(90 907)**	**8 064 062**	**8 638 422**

HISTORICAL COST*

	Issued share capital ZWL'000	Non-distributable reserves ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2019	**15 442**	**50 794**	**114 065**	**180 301**
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)
Dividend	**-**	**-**	-	-
Balance at 31 March 2020	**15 442**	**50 794**	**1 234 794**	**1 301 030**
Comprehensive income for the year	-	-	4 036 691	4 036 691
Profit for the year	-	-	4 224 904	4 224 904
Other comprehensive loss	-	-	(188 213)	(188 213)
Share based payment	-	-	(19 745)	(19 745)
Dividend	-	-	(303 037)	(303 037)
Balance at 31 March 2021	**15 442**	**50 794**	**4 948 703**	**5 014 939**

* 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 2021

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.20 ZWL'000
Cash flows from operating activities					
Cash generated from operations	30.2	3 401 111	2 123 268	3 907 265	478 842
Changes in working capital	30.2	(681 375)	(557 767)	(1 714 623)	(232 508)
Net cash generated from operations		2 719 736	1 565 501	2 192 642	246 334
Net finance charges paid		32 814	(96 307)	51 826	(9 752)
Interest paid-loans		(103 816)	(102 261)	(70 399)	(10 319)
Interest received		136 630	5 954	122 225	567
Tax paid		(1 456 088)	(732 223)	(931 336)	(49 492)
Net cash inflow from operating activities		**1 296 462**	**736 971**	**1 313 132**	**187 090**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		**(365 288)**	**(158 860)**	**(252 124)**	**(27 079)**
- Other property, plant, equipment and intangible assets		(132 678)	(18 738)	(117 660)	(2 901)
- Cane roots		(225 203)	(134 721)	(128 545)	(22 592)
Initial adoption of IFRS 16		(7 407)	(5 401)	(5 919)	(1 586)
Movement in non-current financial asset		7 189	143 244	22 549	(16 859)
Proceeds on disposal of property, plant, equipment and intangible assets	20.3	44	-	44	-
Net cash outflow from investing activities		**(358 055)**	**(15 616)**	**(229 531)**	**(43 938)**
Net cash inflow before financing activities		**938 407**	**721 355**	**1 083 601**	**143 152**
Cash flows from financing activities					
Proceeds from borrowings		438 862	481 094	295 267	45 277
Repayment of borrowings		(506 973)	(1 315 982)	(315 267)	(90 070)
Dividend paid	19	(393 173)	-	(303 037)	-
Lease financing		2 605	4 747	5,958	1 394
Net cash outflow from financing activities		**(458 679)**	**(830 141)**	**(317 079)**	**(43 399)**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		119 223	151 167	119 223	19 470
Net cash inflow from operating activities		1 296 462	736 971	1 313 132	187 090
Net cash outflow from investing activities		(358 055)	(15 616)	(229 531)	(43 938)
Net cash outflow from financing activities		(458 679)	(830 141)	(317 079)	(43 399)
Inflation effects on cash and cash equivalent		286 794	363 634	-	-
Cash and cash equivalents at end of year		**885 745**	**406 015**	**885 745**	**119 223**
Comprising of:		**885 745**	**406 015**	**885 745**	**119 223**
Cash at bank		885 664	405 786	885,664	119 156
Cash on hand		81	229	81	67

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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 2021

	Shareholders		Shares	
	Number	%	Number	%
Shareholders registered with Zimbabwean addresses	1 239	82.00	167 047 413	86.54
Shareholders registered with external addresses	270	18.00	25 973 151	13.46
	1 509	**100.00**	**193 020 564**	**100.00**
Shares held by:				
Individuals	1 002	67.00	9 921 827	5.14
Pension funds and insurance companies	244	16.00	59 300 615	30.72
Other corporate bodies	263	17.00	123 798 122	64.14
	1 509	**100.00**	**193 020 564**	**100.00**

Ten largest shareholders as at 31 March 2021

		Number of shares	%
1	Triangle Sugar Corporation Limited	97 124 027	50.32
2	Old Mutual Life Assurance Company Zimbabwe Limited	25 451 632	13.19
3	Tate & Lyle Holland B.V.	19 314 480	10.01
4	National Social Security Authority	12 002 759	6.22
5	Stanbic Nominees (Private) Limited –NNR	9 181 162	4.76
6	Mining Industry Pension Fund	2 825 023	1.46
7	Old Mutual Zimbabwe Limited Strategic Trapped Fund	2 351 950	1.22
8	Standard Chartered Nominees (Private) Limited	1 119 727	0.58
9	Hippo Valley Estate Pension Fund, via Datvest.	835 008	0.43
10	Lagesse Family	832 768	0.43
		171 038 536	**88.61**

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Hippo Valley Estates Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty-Fifth Annual General Meeting (AGM) of members of Hippo Valley Estates Limited will be held virtually at 9am on Friday, 17 September 2021, to conduct the following business:

ORDINARY BUSINESS

1 Financial Statements and Reports

To receive and adopt the financial statements of the Group and Company for the year ended 31 March 2021, together with Report of the Directors and Auditors thereon.

2 Dividend

To approve the interim dividend of ZWL 121 cents per share and final dividend of ZWL 124 cents per share for the year ended 31 March 2021.

3 Directorate

3.1 To note the retirement of L R Bruce at conclusion of the sixty fifth Annual General Meeting.

3.2 To re-elect Messrs J P Maposa, O H Manasah and S Harvey who retire by rotation in terms of article 100 of the Company's Articles of Association, and who, being eligible, offer themselves for re-election. Motions for re-election will be moved individually.

3.3 To elect Messrs R M Goetzsche as Director who, having been appointed during 2021, is required to retire in accordance with the Company's Articles of Association and, being eligible, offers himself for re-election.

3.4 To consider and, if deemed fit, to pass, with or without modification, the following resolution:

Ordinary Resolution

"Resolve as an ordinary resolution that the Board fees payable to non-executive directors for the year ended 31 March 2022 be fixed at US$3 087 per quarter and US$6 174 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee. Further that the fees payable to non-executive directors as members of Board Committees for the year ended 31 March 2022, be fixed at US$1 543 per quarter and US$3 087 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee."

4 Auditors

4.1 To fix the remuneration of the Auditors, Deloitte & Touche for the past year.

4.2 To note the retirement of Deloitte & Touche at the end of the sixty fifth Annual General Meeting.

4.3 To appoint Messrs Ernst and Young as Auditors of the Company, to hold office from the conclusion of the sixty fifth Annual General Meeting, until conclusion of the next Annual General Meeting.

By Order of the Board

P Kadembo
Company Secretary

18 August 2021

Registered Office:
Hippo Valley Estates
P O Box 1
Chiredzi
Telephone : +263 231 231 5151/6
Email: companysecretary@hippo.co.zw

Transfer Secretaries:
First Transfer Secretaries
1 Armagh Road
Eastlea
P O Box 11 Harare
Email: info@fts-net.com

NOTES

1. A member entitled to attend, speak and vote at the meeting may appoint any other person or persons (none of whom need to be a shareholder or director), as a proxy or proxies to attend, speak and vote at the AGM in such shareholder's stead.
2. A proxy form should be lodged, duly completed, at the registered office of the Company or at the office of the Transfer Secretaries not less than 48 hours before the start of the AGM.
3. The link for the AGM will be sent to shareholders' email addresses on record with the transfer secretaries.
4. Shareholders are to contact the Transfer Secretaries on email info@fts-net.com should they wish to update their contact details.
5. All shareholders wishing to invite analyst and observers to the AGM should contact the Transfer Secretaries ahead of the meeting.
6. Shareholders are to contact the Transfer Secretaries in case they require some assistance with regard to the conduct of the meeting.
7. Shareholders are encouraged to pre-register on the online portal that will be provided by the Transfer Secretaries and submit their proxy forms at least 48 hours before the meeting.

Notes

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HIPPO VALLEY ESTATES LIMITED

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