Hippo Valley Estates Limited

ANNUAL REPORT 2023

A Tongaat Hulett Company

Est. 1892

TongaatHulett®

Contents

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

Management and Administration

Management and Administration

Senior Management

Chief Operating Officer	S Mangani
Head of Agriculture Operations	N Maisiri
Head of Milling Operations	A Mugadhi
General Manager - Infrastructure and Support Services	U Chinhuru
Head of People	B Chimbera
Head of Corporate and Industry Affairs	D Garwe
Finance Reporting & Controls Executive	E Madziva
Finance Planning & Analysis Executive	S Mavende
Legal Counsel/ Company Secretary	P Kadembo

Transfer Secretaries

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

Independent Auditors

Enrst & Young Chartered Accountants (Zimbabwe)
Angwa City Cnr J Nyerere and Kwame Nkrumah Avenue
Harare

Bankers

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

Legal Practitioners

Scanlen and Holderness
CABS Centre
74 Jason Moyo Avenue
Harare

Gill, Godlonton & Gerrans
Beverly Court
100 Nelson Mandela Avenue
Harare

Estate and Registered Office

Hippo Valley Estates
P O Box 1
Chiredzi

Contact

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Consolidated Financial Summary

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Revenue	139 261 526	101 907 441	100 578 926	22 676 207
Operating profit	25 894 922	21 175 996	55 193 055	9 986 722
Profit before tax	25 884 628	21 349 381	58 158 744	10 093 803
Profit for the year	17 221 757	13 858 215	42 802 254	7 419 692
Adjusted EBITDA*	10 441 878	10 610 636	10 776 720	3 052 855
Net cash generated from operations	(1 533 192)	(634 178)	(1 477 484)	421 451
Net cash (outflow) / inflow from operating activities	(3 390 833)	(3 309 485)	(2 194 794)	(77 926)
Capital expenditure	3 396 940	2 900 005	2 719 018	654 726
Net asset value^	99 823 772	81 624 842	66 843 635	15 206 558
Tangible Net Asset Value	104 819 498	84 512 380	72 048 648	16 099 168
Market capitalization at year end	120 730 502	195 992 103	120 730 502	57 904 336
	ZWL cents	ZWL cents	ZWL cents	ZWL cents
Basic and diluted earnings per share	8 922	7 180	22 175	3 844
Net asset value per share	51 717	42 288	34 630	7 893
Price per share at year end	62 548	101 539	62 548	29 999
Tangible Net Asset Value per share	54 305	43 784	37 327	8 341

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

^Net Asset Value is total assets less current liabilities, less non current liabilities (excluding deferred tax liabilities).

Statistical Summary

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

	2018/19	2019/20	2020/21	2021/22	2022/23
Total sugar production for the season (tons)	238 965	212 004	204 384	209 510	207 430
Molasses production (tons)	64 390	60 873	59 115	60 425	60 722
Total industry sugar sales (tons)	483 000	413 000	440 000	394 000	381 820
Local market	371 000	324 000	325 000	356 000	338 059
Export market	112 000	89 000	115 000	38 000	43 761
Hippo Valley Estates Sharing Ratio	52.7%	48.0%	50.0%	53.2%	52.3%
Sugar cane					
Area under cane at year end (hectares)					
Hippo Valley Estates	10 941	10 590	10 246	10 916	10 729
Private farmers	10 907	11 747	11 937	11 316	12 014
	21 848	**22 337**	**22 183**	**22 232**	**22 743**
Area harvested for milling during the year (hectares)	9 806	9 440	10 024	9 729	10 384
Hippo Valley Estates	11 045	10 581	10 011	10 391	11 008
Private farmers	**20 851**	**20 021**	**20 035**	**20 120**	**21 392**
Sugar cane harvested for milling (tons)					
Hippo Valley Estates	1 068 164	1 008 870	1 043 774	897 334	990 407
Private farmers	730 039	687 472	592 722	768 804	749 985
Diversions from Triangle and Green fuel	63 829	-	55 439	26 065	-
Total cane milled at Hippo Valley Estates	**1 862 032**	**1 696 342**	**1 691 935**	**1 692 203**	**1 740 392**
Sugar cane yield per hectare (tons)					
Hippo Valley Estates	108.93	106.87	104.12	92.23	95.38
Private farmers	67.80	69.00	59.00	74.10	73.40
Mill performance					
Season started	08-May-18	07-May-19	05-May-20	04-April-21	20-April-22
Season completed	29-Dec-18	18-Dec-19	30-Dec-20	15-Dec-21	29-12-22
Number of crushing days	235	225	239	239	253
Throughput - tons cane per hour	419.22	335.76	330.95	320.83	315.67
Extraction (%)	96.49	96.84	96.27	96.43	96.23
Boiling house recovery (%)	90.48	90.40	90.58	90.25	89.79
Overall recovery (%)	87.30	87.54	87.20	87.03	86.41
Cane to sugar ratio	7.8	8.0	8.3	8.1	8.4

CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW FOR YEAR ENDED 31 MARCH 2023

	INFLATION ADJUSTED			HISTORICAL COST		
	Year ended 31.03.23	Year ended 31.03.22	Percentage Change	Year ended 31.03.23	Year ended 31.03.22	Percentage Change
Sugar production (tons)	207 430	209 510	↓ -1%	207 430	209 510	↓ -1%
Total industry sugar sales (tons)	381 820	394 000	↓ -3%	381 820	394 000	↓ -3%
Hippo share of industry sugar (%)	52.25%	53.20%	↓ -2%	52.25%	53.20%	↓ -2%
Revenue (ZWL'000)	139 261 526	101 907 441	↑ 37%	100 578 926	22 676 207	↑ 344%
Operating profit (ZWL'000)	25 894 922	21 175 996	↑ 22%	55 193 055	9 986 722	↑ 453%
Adjusted EBITDA *(ZWL'000)	10 441 879	10 610 636	↓ -2%	10 776 720	3 052 855	↑ 253%
Profit for the year (ZWL'000)	17 221 757	13 858 215	↑ 24%	42 802 255	7 419 692	↑ 477%

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

Cautionary – reliance on hyperinflation adjusted financial statements

The consolidated financial results of Hippo Valley Estates Limited (the Company) have been prepared in accordance with the requirements of International Accounting Standard 29 - Financial Reporting in Hyperinflationary Economies (IAS 29). As such, the commentary on financial performance is based on inflation adjusted financial results, with historical figures presented as supplementary information alongside the inflation adjusted financial results to enhance comprehension and analysis. In complying with IAS 29, the Directors applied, where appropriate, necessary judgements and assumptions with due care. However, users are cautioned that in hyperinflationary environments inherent economic distortions may have an impact on these financial results. As such, the Directors would like to advise users to exercise caution in the use of these abridged inflation adjusted financial statements in relation to the reporting currency and conversion to comparative currencies.

Operating Environment

The difficult trading environment persisted during the year under review, characterized by severe hyperinflation, rapid depreciation of the local currency, rolling power outages and various regulatory pronouncements. These factors hampered industrial activity and slowed economic growth. The local currency depreciated by 553% from prior year, most of it coming through in the second half of the year. The Company was not spared from the effects of the above, which contributed to the muted growth in financial performance. The impact of the Ukraine/Russia war resulted in significant increases in respect of key agricultural input costs such as fuel and fertilisers. Profit margins were further eroded by the Company's inability to fully recover higher production costs in its pricing structure in an effort to balance affordability for consumers whilst also having to contend with competitive pressures from sugar imports in the six months period to November 2022. However, management continue to monitor these developments closely in order to respond appropriately to mitigate against value loss.

Operations

Cane and sugar production (tons) for the year ended 31 March 2023

	2023	2022	% Change
Agriculture Operations			
Tonnes cane harvested - Company	1 017 408	897 334	13%
Tonnes cane harvested – Private farmers	749 985	768 804	-2%
Tonnes cane harvested - Third-party	-	26 065	-100%
Total tonnes harvested	**1 767 393**	**1 692 203**	**4%**
Milling Operations			
Total tonnes cane from Agriculture	1 767 393	1 692 203	4%
Tonnes cane diverted to Triangle	(27 001)	-	-100%
Total tonnes cane milled – Company	**1 740 392**	**1 692 203**	**3%**
Cane to sugar ratio	8.39	8.09	-4%
Tonnes sugar produced – Company	207 430	209 510	-1%
Tonnes sugar produced – Industry Total	396 682	390 415	2%

Cane deliveries from the Company's own plantations (miller-cum-planter) were 13% above the prior year. The growth was driven by a 6% improvement in yields to 97.98 tons cane per hectare (tch) (2022 : 92.23tch) in response to improved control of yellow sugarcane aphid infestations through aerial spraying, as well as an increased area of cane harvested compared to the prior year. Private farmer cane deliveries contributed 42% of the total cane supply, and were 2% below prior year having achieved yields of 71.85tch (2022: 73.75tch). In November 2022, one of the Company's two production lines suffered a major breakdown that resulted it being inoperative for the balance of the season. Consequently, the milling season was extended to 29 December 2022 to accommodate the reduced production capacity, while 27 001 tons of cane had to be diverted to the Triangle sugar mill for crushing. Repair work was satisfactorily carried out on that line which has since been reopened for the 2023/24 milling season.

Sugar produced by the Company decreased by 1 809 tons (1%) notwithstanding that an additional 48 189 tons (3%) of cane was delivered to the mill for crushing. Ordinarily, this additional volume of cane would have increased sugar production by approximately 6 000 tons. The decrease was occasioned by lower cane quality attributable to prolonged wet weather and significant rainfall received at both the onset and end of the season. Rainfall hinders both the harvesting and hauling of cane to the mills resulting in the cane remaining in the fields for extended periods and leading to reduced sugar content, while posing difficulties in achieving efficient milling recoveries. The off-crop maintenance programme which encompasses annual maintenance, including repositioning the mill for improved efficiencies, was successfully completed and the mill commenced crushing for the 2023/24 season in April 2023 as planned.

Marketing Performance

Local market share was compromised as a total of seventeen (17) brands were imported into the country during the Statutory Instrument 98's six month tenure which ended in November 2022. The sugar industry estimated the total impact of these imports to have been 5% of the annual local sugar sales volume.

World sugar markets are residual markets for excess sugar supply and are affected by support policies and/or subsidies implemented by governments of sugar producing countries. Consequently, world sugar markets often trade below global costs of production, meaning that imported sugar has an unfair price advantage over sugar produced locally in Zimbabwe where production costs are relatively higher. In addition, some of sugar imported did not comply with the Labelling and Vitamin A fortification regulations, which would have formed part of the costs of locally produced sugar.

For the year ended 31 March 2023, the company's share of total industry sugar sales volume of 381 820 tons (2022: 394 000 tons) was 52.25% (2022: 53.2%). Total industry sugar sales volume into the domestic market for the year, at 338 059 tons (2022: 356 253 tons) was 5% below prior year as a result of competition from low-cost imports. Industry export sales however, increased by 15% to 43 760 tons (2022: 38 000 tons) following an improvement of export volumes to the USA to 17 751 tons in 2023 compared to 13 087 tons in 2022. While price realisations on the local market increased year-on-year, the improvement was constrained by the major 'Sunsweet' table sugar market where prices in real terms were marginally below those of the prior year. Average export prices were lower than previous year. The industry however continues to review local prices, cognisant of affordability by consumers, to changes in cost structures, and to negotiate better prices for exports.

Financial Results

Inflation-adjusted revenue rose by 37% to ZWL139.3 billion (2022: ZWL101.9 billion) on the back of price adjustment in response to increasing cost pressures, amplified by currency dynamics embedded in CPI indices. Resultantly, operating profit and profit for the year grew by 22% to ZWL25.9 billion (2022: ZWL21.2 billion) and by 24% to ZWL17.2 billion (ZWL13.9 billion) respectively, with the majority of the growth attributable to changes in the value of biological assets. The Company registered a marginal decrease of 2% on Adjusted EBITDA to ZWL10.4 billion (2022: ZWL10.6 billion). Profit margins are measured using Adjusted EBITDA (to exclude any distortions from non-cash changes in the value of biological assets) and have declined from 10.4% in the prior year to 7.5% in 2023. This squeeze on margins arose from lower sugar production, significant increases in fertiliser and fuel costs, and the impact on manpower costs post the finalisation of the wage negotiations. Ultimately, the increase in price realisations achieved was not sufficient to offset these inflationary pressures on costs.

Net cash outflow from operating activities was ZWL3.4 billion (2022: ZWL3.3 billion) on account of decreased EBITDA and increased working capital requirements. A total amount of ZWL3.4 billion was spent on capital expenditure (2022: ZWL2.9 billion) out of which ZWL1.8 billion (2022: ZWL1.1 billion) was for root replanting. As at 31 March 2023, the Company had a net borrowing position of ZWL4.4 billion compared to a net borrowing of ZWL1.1 billion in prior year, with more cash being consumed due to increased level of investing activities and foreign currency translation dynamics.

Dividend

The Board declared and paid an interim dividend of US0.3 cents per share during the year ended 31 March 2023. In light of the heightened volatilities currently weighing down the economic and operating environments as well as the increased level of borrowings, the Directors have not declared a final dividend for the year ended 31 March 2023.

Environmental, Sustainability & Governance

A total of 2 (2022: 7) Lost Time Injuries were recorded during the year, and a Lost Time Injury Frequency Rate of 0,018 (2022: 0,063). Regrettably, the Company recorded 1 fatality (2022: 1) following a third party cane haulage perry loader that accidentally ran over a contractor employee at the end of an in-field loading task. The company continues to raise awareness and training employees and other stakeholders to uphold the highest safety standards so as to attain zero harm at the workplace. On 5 May 2023, WHO declared that COVID-19 is now an established and ongoing health issue which no longer constitutes a Public Health Emergency of International Concern (PHEIC). This saw the removal of all COVID-19 restrictions within the Company. Almost all of the staff compliment however have been vaccinated (1st vaccination 99%; 2nd vaccination 99%; 3rd vaccination 76%).

A cholera outbreak was reported in parts of Africa, with 14 countries currently affected. Zimbabwe, as of March 2023, had reported237 cases and 6 cholera deaths with 2 confirmed cases in the Chiredzi community. Poor sanitation and unreliable water supplies coupled with increased people movements are key driving factors for the outbreak. The company is working on increasing amount of potable water to the Chiredzi community in consultation with Chiredzi council authorities to address the health risk.

As Hippo Valley Estates, we believe we have a duty to act responsibly in how we impact the environment and to protect communities whose livelihoods depend on agriculture. We therefore make use of clean energy sources, a good waste management system, and an active monitoring system of emissions from manufacturing to ensure it is at acceptable levels. We have a long-term strategy to walk towards a Net Zero position in the future. In line with this, such initiatives as fighting deforestation by planting new trees were rolled out in the period under review. This program involved employees, "one tree per employee" and will continue in the next financial year. The Company also successfully retained its certification in respect of the Environmental Management Systems (ISO 14001:2015).

Cane Supply Growth Initiatives

Hippo Valley Estates in partnership with Triangle Estates (also jointly known as Tongaat Hulett Zimbabwe, THZ) continues to work with Government and various financial institutions to progress the implementation of Project Kilimanjaro, a 4,000ha sugarcane development. An additional 138ha was planted to cane completing the 700ha Kilimanjaro Empowerment Block. The Government in liaison with THZ, has set up the Project Kilimanjaro Joint Steering Committee to oversee the development of the balance of the 3,300ha, for the benefit of new farmers being identified by Government.

Following recommendations from the Ministry of Industry and Commerce, a Tribunal constituting of three arbitrators was set up to determine commercial issues relating to the Sugar Milling Agreement for the 2023/24 milling season. The arbitration was concluded on 13 April 2023 and parties are now engaging on modalities to implement the award whose discussions are now at the tail end.

In addition to Project Kilimanjaro, the Company continues to support private farmers through various initiatives to improve productivity on existing sugarcane farmland (i.e. vertical sugarcane growth programs). One such program developed is a partnership framework whereby the Company is co-managing certain underperforming out-grower farms. To date, 64 farmers have volunteered to partner with the Company in the co-management arrangement with 680ha having been ploughed out and replanted with new roots.

Land tenure

Engagements with the Minister of Lands, Agriculture, Fisheries, Water and Rural Development (Ministry) regarding issuance of 99-Year Leases are ongoing. A total of 5 leases (amounting to 3,804ha) with respect to Hippo Valley North have so far been issued , with the balance of 3 lease blocks (amounting 20,175ha) still to be issued. Encouraging assurances have been received from the Ministry that the remaining leases will be issued in due course, and that recommended changes to the wording of the lease documents are being finalized by the Attorney General's Office

Directorate

During the year, Mr Ngoni Kudenga, a long-serving dedicated Independent Non-Executive Director retired from the Board. Messrs Robin Goetzsche and Gavin Hudson also resigned from the Board. The Board is grateful for their valuable contribution during their tenure and wish them well in their future endeavours.

The Board appointed two Non-Executive Directors, Messrs Daniel Marokane and Tafadzwa Chigumbu. The Board will seek ratification of these appointments at the forthcoming Annual General Meeting.

Outlook

The major dams are holding sufficient water to support optimal irrigation regimes for the coming season. Yields in the 2023/24 season will reduce marginally, normalising after the reversal of the once-off benefit related to carry-over cane, and will continue to benefit from improved crop husbandry practices. Milling efficiencies are anticipated to recover on the back of improved cane quality, and after the satisfactory completion of the requisite annual maintenance programme.

The operating environment is anticipated to remain volatile and hyperinflationary in the short to medium term. With the recently introduced of Statutory Instrument 80 of 2023 allowing duty free importation of several commodities including sugar, the sugar industry faces huge pressure to compete against imports coming from competitors operating in stable and subsidized environments. Additionally, the ongoing rolling power outages are set to compound recovery challenges across the economy. The Company continues to monitor and navigate through the complexities and pursue appropriate value preservation strategies.

Following the arbitration process which was concluded at the beginning of the 2023/24 milling season, both millers and the private farmers are in the process of finalising the implementation of the outcome. The implementation thereof will result in there being two cane supply arrangements with private farmers, namely a sugar milling agreement and a cane purchase agreement. The sugar milling agreement aligns with the arrangements in the previous season and results in the Company and the private farmers sharing in the total revenue realised from the sale of sugar with both parties sharing in the risks and rewards of sugar prices. The cane purchase agreement results in the Company purchasing cane from private farmers for a fixed price with the company alone exposed to the risks and rewards of sugar prices. The cane purchase agreement is also likely to require additional borrowing facilities to support the upfront cash outflow.

This resulted in delayed deliveries of cane by the private farmers which is envisaged to be recovered within the first quarter.

The wage arbitration remains in progress, however the Company has meanwhile ensured it's employees are cushioned against the inflationary environment and the resultant pressures on disposable income.

The requisite mill and transport annual maintenance work was carried out to satisfaction and the mill is positioned for better operating efficiencies in the ensuing season.

By Order of the Board

C F Dube	A Mhere
Chairman	**Chief Executive Officer**

27 June 2023

Sustainability Report

WHY THIS REPORT

Our purpose is to guarantee the ongoing viability of our business and to improve the quality of life for our many stakeholders today and in the future. To fulfil this purpose, we must ensure that our raw materials are sourced responsibly, that our farming and processing practices are both responsible and sustainable, that the sourcing of key goods and services, inputs from suppliers and our own internal processes focus on a shared commitment to sustainability. A sustainable supply chain is essential for the communities in which we operate, as well as for our business.

Our approach to responsible sugar is founded on principles of ethical business practices, human and labour rights, occupational health and safety and environmental protection and we actively encourage our supply chain to comply with these globally accepted principles. As a result, in 2022, we were recognised and received an award as one of the top 100 Sustainable and Responsible businesses in Zimbabwe for our sustainability initiatives that continue to benefit not only the entity and its employees, but the communities and environment around it.

This report has been prepared to share our sustainability journey and our philosophy towards the environment, social and Governance.

Basis of preparation

This report has been prepared by applying the following guiding frameworks:

- International Sustainability Standards Board (ISSB) exposure draft IFRS S1 and IFRS S2
- SASB Agricultural Produce sustainability standards.
- The Zimbabwe Stock Exchange sustainability disclosure requirements
- The United Nations Sustainability Development Goals

Our strategy

As Hippo Valley Estates, we believe we have a responsibility to manage the land we own, lease, and/or cultivate in partnership with third party cane growing individuals and/or communities in an economically, environmentally and socially sustainable way.

Our cropping, and processing practices all have direct and indirect impacts on ecosystems, natural landscapes and biodiversity. Our local communities also rely on the same fragile ecosystems for the provision of water, food production and employment opportunities.

While the business seeks to optimise yields and productivity, it strives to do so in a manner that maintains important biodiversity and ecosystem processes. Our overall sustainability strategy is largely aligned with efforts made on the global front for addressing environmental, social and governance issues.

Our approach also recognizes the fact that our agricultural process operations require sustainable stewardship of energy inputs, land, air and freshwater ecosystems. This responsibility is not just bestowed on us but also on our third-party supplying farmers.

Our engagements with parties along the whole value chain is therefore at the centre of our approach.

Our Material areas

As Hippo Valley Estates, we have taken active steps to understand our key risks and material topics. The understanding of these material areas helps us determine where to focus on as a business.

Our impact areas are mainly based on the Sustainability Accounting Standards Board (SASB) materiality finder for the agricultural products industry as well as the areas perceived by management to be most affecting society and the environment.

The topics identified as the material areas are as follows:

- Greenhouse gas emissions
- Water management
- Product quality and safety
- Health and food safety
- Human capital management
- Transformation and the upliftment of woman, youths and local communities
- Socio-economic development
- Ethics

Aligning with the UN SDGs

Hippo Valley Estates sustainability areas are also influenced by the UN sustainability development goals. Our approach to SDG goals achievements are as follows:

- Environment – SDG 5,6,7,13,14,15,
- Social – SDG 1,2,3,4,5,6,7,8,9,11,17

We remain committed to achievement of these goals as well as provide transparent reporting on the risks and opportunities of these areas. As a result, our report aligns to the disclosure initiatives from IFRS S2 Climate Related Disclosures.

Our ESG commitments

Environment	Social	Governance
• Reduced carbon emissions	• Empowerment and safety of communities	• Good corporate governance
• Responsible land use and farming practices	• Empowerment and safety of employees	• Excellent ethical leadership
• Responsible waste management	• Increased quality and food safety for our customers	
• Responsible water management	• Full compliance to regulations that affect our business.	
• Increased use of renewable energy sources		
• Compliance with all applicable laws and regulation		

Our engagements with stakeholders

Proactive stakeholder engagement is a strategy implemented by Hippo Valley Estates to promote mutual interests as well as execution of interventions that improve alignment with value adding relationships with its stakeholders. The objective of these engagements is to foster transparent conversations where knowledge is shared and discussions are made on impact areas.

In the financial year, 2023, we were pleased to have been recognised to be in the top 100 companies operating sustainably.

The tabulated engagements below were conducted during the FY2023:

Stakeholder	Form of Engagement
Government	Scheduled meetings were held with policy makers to outline Hippo Valley Estates' strategy and possible areas of collaboration. The engagements included those with the Ministry of Industry and Commerce which chairs the Technical Committee where stakeholders in the food industry meet. These engagements happen on a quarterly basis and go a long way in ensuring sustainable business practices in the sugar industry.

Stakeholder	Form of Engagement
Farmers	During the financial year, Hippo Valley Estates introduced inaugural Farmers Awards to promote cane quality, increased yield per hectare and sustainable use of agricultural technology within the private farmer body that works with the company. A total of 24 farmers including women and youth received prizes in the form of fertilizers and pesticides. In addition, Hippo Valley Estates also meets with farmers on a regular basis in an effort to assist with issues affecting their yields and or quality of their cane. Several training programs have been embarked on to further create awareness within the farmer community on key matters involved in the cropping business.
Employees	Employee Experience Survey were conducted to get feedback from employees. To promote internal communication, Hippo Valley Estates introduced two bi-monthly updates with one being of human-interest articles and the other providing technical and operational information. The Company also conducted periodic performance and development reviews to ensure we harness feedback from staff and to also provide individual and personalised development feedback to them. The focus areas in these discussions included health and safety, corporate culture, strategic focus of the business as well as staff performance on annual goals.
Media	As part of Hippo Valley Estates stakeholder engagement with the Media, the Company sponsored the National Journalism and Media Awards (NJAMA) under the Agriculture Category. The Media is regarded as the Fourth Estate due to its role in shaping opinions, perception, and influence within society and beyond. We therefore always regard engagement with the Media industry as core to driving our strategy. During the 2023 financial period, we held a Breakfast meeting which was attended by Editors and representatives from leading media houses in Zimbabwe. The company pledged to continuously support the Media by way of improving journalistic skills on agri-business reporting through field tours and workshops.
Business Community	Hippo Valley Estates continues to engage the Business Community to promote interaction with captains of industry. Key Executives of the Company are members of the Confederation of Zimbabwe Industries (CZI) and thus attended the annual CZI Congress and CZI Symposium. The platforms provided an opportunity for interaction with representatives of the business community and policy makers. In these interactions, ideas were shared on how we can improve and build sustainable business operations.

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Pic 1: Minister of Local Government and Public Works Hon July Moyo poses for a photograph with Hippo Valley Estates CEO Aiden Mhere soon after their engagement.

Pic 2: Hippo Valley Estates CEO, Mr Aiden Mhere chatting with News Wire Editor Mr Rangarirai Mberi soon after Editor's Breakfast Meeting hosted by Hippo Valley Estates.

Pic 3: Head of Corporate & Industry Affairs, Dr Dahlia Garwe (R) and the Guest of Honour at the Awards Dr Esther Muia, from United Nations Population Fund (UNFPA) presenting Runner Up award to Veronica Gwaze (Centre) of the Sunday Mail at the Hippo Valley Estates sponsored National Journalism and Media Awards. Hippo Valley Estates sponsored Agriculture Reporter of the Year for the year 2022.

Pic 4: Head of Corporate & Industry Affairs Executive, Dr Dahlia Garwe (Centre) chats with Editor to The Herald, Mr Hatred Zenenga soon after the Editor's Breakfast Meeting.

Our Performance - (E) Environment

Our approach

Our approach to business is to operate in a manner that is not just good for the Company, but also for the planet. We strongly believe in the ecosystem of things and that we cannot be there without the planet and its inhabitants.

Our products heavily rely on the use of the environment. A climate crisis can easily lead to a catastrophe in sugar supply as well as a food crisis in the country. Unfortunately, climate change is no longer a future concern, but rather it is in the now. In Zimbabwe, we have experienced significant changes in weather patterns which are caused by global warming, and these have caused undesired effects such as heat waves, droughts, floods and cyclones. Unpredictable weather patterns have a significant impact on growing crops, and the quality of crop yield.

As Hippo Valley Estates, we believe we have a duty to act responsibly in how we impact the environment and to protect communities whose livelihoods depend on agriculture. We strive to practice sustainable agricultural and manufacturing activities as well as cut down on our carbon footprint. To achieve that, we make use of clean energy sources, good waste management, active monitoring of emissions from manufacturing to ensure it is at acceptable levels and preservation of water tables. We endeavor to discourage the use of banned agrochemicals within the agricultural operations of the Company. We therefore encourage farmers that supply cane to Hippo Valley Estates to minimize air, soil and water contamination through the use of agrochemicals.

At Hippo Valley Estates, we believe that immediate actions are critical in the reduction of carbon emissions within the sugar industry. These actions require collective efforts from all players within the value chain and the Company takes the duty and responsibility to play its role at heart. We therefore have a long-term strategy to walk towards a Net Zero position in future. In the period ending 31 March 2023, our emphasis was placed towards initiatives such as:

- Fighting deforestation and restoring forests by planting new trees
- Engaging farmers and employees to have them understand the full effects of deforestation and to educate them towards sustainable farming methods that helps them preserve good soil quality.
- Striving in achieving commitments which are done on the global arena. We are very excited of the developments that came from the COP 26 and COP27 Climate Conference which revisited the Net zero targets set in the 2015 Paris Agreement. Our nation participated in the COP 26 conference and as Hippo Valley Estates, we are committed to the net zero targets set in these conferences and are embedding these in our Net zero strategies.

Through these efforts and influencing the supply chain, we believe we can conserve and restore the natural habitats and transform the whole landscape. We managed to retain our certification in respect of the Environmental Management Systems (ISO 14001:2015) in the Annual Surveillance Audit of the Management Systems conducted during the second quarter of 2022.

Our approach to environmental management hinges a lot on the following key pillars:

i. Responsible land usage
ii. Responsible protection and preservation of Flora
iii. Responsible protection and preservation of Fauna
iv. Responsible water and energy usage, and
v. Effective waste management

Our risk management and Metrics on environmental management

Responsible land usage

Access to land for human settlements, rural growth, economic development and the righting of historical wrongs with respect to land claims is a sensitive issue within Zimbabwe. We acknowledge our responsibility to manage the land we own, lease, and/or cultivate in partnership with third party cane growing suppliers in an economically, environmentally and socially sustainable way, while combatting a unique set of agricultural productivity challenges.

In the agricultural landscapes where we operate, we aim to optimise yields while maintaining important biodiversity and ecosystem processes to continuously improve the resilience of our agricultural activities, as well as the land and water sources surrounding our operations.

As a result, the following approach is maintained on how we use our land:

- We identify and appropriately manage sites of significant ecological, cultural, historical and/or geological importance, inclusive of World Heritage areas and International Union for Conservation of Nature (IUCN) Category I-IV protected areas or in UN Protected Sites in line with the UN Convention on Biological Diversity.
- We proactively identify High Conservation Value (HCV) areas, connecting corridors and other areas of conservation significance within and beyond our borders and strive to maintain or enhance the critical environmental and social values of these ecosystems.
- We promote, support and invest in technological research and development in ecosystems for improved usage and management of soil, water, biodiversity and ecosystems.

Responsible protection and preservation of Flora and Fauna

In order to achieve conservation and restoration of natural habitats, Hippo Valley Estates has taken active steps to understand the natural habitats in the Hippo Valley area. We have studied the Flora and Fauna in these areas with an intent of understanding how we can best conserve and restore them. Below are our findings on the studies conducted:

Floristic biodiversity

The floristic biodiversity within Hippo Valley Estates was conducted in October 2021 where and a total of 130 species belonging to 108 genera and 48 families were recorded. Plant species recorded could be more as this assessment was done during the dry season when most of the herbaceous layer had dried up. Ten vegetation types were identified which include Mopane woodland, Combretum woodland, Disturbed mopane woodland, Mixed woodland, *Androstachys johnsonii* woodland, Eucalyptus plantation, *Vachellia torillis* woodland, Drainage streams, and Mteri Dam shoreline. A single specially protected species was recorded in Hippo Valley Estates, *Ansellia africana.* The vegetation within Mteri Game Reserve in Hippo Valley Estate is generally in good condition especially where there was no disturbance before. However, areas towards Chiredzi River have been disturbed heavily with a lot of trees being cut for firewood in the nearby township. Continuous monitoring of the vegetation is being done and Hippo Valley Estates has taken initiatives to engage communities around Chiredzi to educate them or make them aware of the dangers of destroying vegetation. In addition, we enhanced our programs of tree planting to ensure more trees are planted to restore those destroyed.

Fauna biodiversity

The occurrence and distribution of mammal species in the Hippo Valley Estates was studied and twenty mammal species were identified. Mammals such as Buffalo (*Syncerus caffer*), Hippopotamus (*Hippopotamus amphibius*), Zebra (*Equus burchelli*), Giraffe (*Giraffa camelopardalis*), Bushbuck (*Tragelaphus* scriptus), Kudu (*Tragelaphus strepsiceros*), Common Duiker (*Sylicapra grimmia*), Sable (*Hippotragus niger*), Eland (*Taurotragus oryx*), Bush pig (*Potomochoerus larvatus*), Warthog (*Phacochoerus* africanus), Impala (*Aepyceros melampus*), Thick-tailed Bush baby (*Otolemur crassicaudatus*), Tree squirrel (*Paraxerus cepapi*), Spotted hyenas (*Crocuta crocuta*), Leopards (Panthera *pardus*), African Civet (*Civettictis civetta*), Velvet Monkey (*Cercopithecus pygerythrus*), Jacal (*Canis mesomelas*), Slender Mangoose (*Garella sanguinea*), Civet Cat (*Paradoxus hermaphroditus*), Ground Squirrel (*Xerus inauris*), the Scrub hare (*Lepus saxatilis*) and Baboons (*Papio ursinus*) were found throughout the Estates. 17 reptile species were identified in Mteri Dam and the canals and these included Crocodiles (*Crocodylus niloticus*), Marsh Terrapin (*Pelomedusa subrufa*) and Water Monitor Lizard (*Varanus niloticus*). Terrestrial reptiles recorded were Rock Monitor Lizard (*Varanus albigularis*), the Snouted cobra (*Naja annulifera*), the Puff adder (*Bitis arietans*), Black Mamba (*Dendroaspis polylepis*), Green Mamba (*Dendroaspis angusticeps*), the Leopard Tortoise (*Stigmochelys pardalis*), Python (Python sabae), that is specially protected reptile and Yellow-throated Plated Lizard (*Gerrhosaurus flavigularis*).

The avifauna composition and diversity within Hippo Valley Estates area was also assessed and a total of 92 bird species were recorded. Out of these 92 bird species, 7 are specially protected species according to Parks and Wildlife Act 14/75 (1975). Species richness is very high because of the diversity of habitats in the area which included Mopane woodland, Riparian, dams, and other suitable habitats. The different habitats in Hippo Valley Estates provide for a wide range of niche requirements in the form of food resources and nesting sites. The presence of healthy ecosystem indicator species such as the birds of prey and the Cuckoos further confirmed the state of the environment especially in Mteri Game Reserve.

Fish biodiversity in Mteri

Five fish species were recorded in Mteri Dam, and these were *Clarias gariepinus, Oreochromis mossambicus, Serranochromis robustus, Barbus trimaculutus and Anguilla mossambicus* (eel species).

The good understanding of our Flora and Fauna places us in a good position to understand the level of responsibility placed on us to manage these natural resources. To ensure that we conserve and preserve these natural resources, Hippo Valley Estates has put in place policies on good management of Flora.

Our Forest Conservation Standard policies ensure that:

- Natural vegetation is maintained at its natural state as much as is possible within Hippo Valley Estates Limited.
- Cutting down of trees and burning of natural vegetation is prohibited unless where inevitable. In such instances where trees are cut, for every unprotected tree that is cut, two trees of the same species shall be planted, and records kept. For every protected tree cut, four (4) trees (of the same species) to be planted and actively maintained and records kept.
- Environmental Impact Assessment is to be undertaken before any project that may have impact on natural vegetation is taken.
- Green zones (natural forested area) are protected against fire and/or domestic animals. Firewood harvesting is prohibited on such areas.
- Only Steel poles are used for any fencing in and around Hippo Valley Estates Limited. Where these are not available, gum poles or any other exotic trees that are ideal for the purpose shall be used.
- Forestry conservation and tree planting awareness campaigns are conducted at least once every year for all employees, members of the immediate farming community and communal areas around the estates. In these campaigns, staff and communities are encouraged to participate in the annual tree planting initiatives.

Reduced carbon emission level

Air Pollution

Emissions of pollutants into the air can result in changes to the climate. These pollutants, including greenhouse gases, are often referred to as climate forcers. Ozone in the atmosphere warms the climate, while different components of pollutants can have either warming or cooling effects on the climate.

Some of the equipment and machinery used by us have an effect of producing carbon emissions. Our objective as Hippo Valley Estates is to reduce the amount of carbon produced by these, as part of our strategy towards Net Zero. A total avoidance of carbon emission is not possible, however a reduction in the amount of emission is possible. We are therefore deliberate in testing our machinery and equipment to ensure that they operate efficiently and do not release excessive pollutants in the air.

Any equipment that fails the test are discharged from operation until they have been properly repaired and passed a retest.

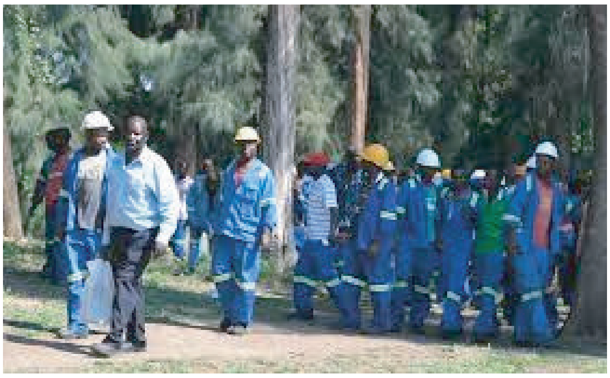
There are 6 boilers at Hippo Valley Estates that are used to generate steam and electricity used for sugar production. These boilers release their emissions through 4 stacks. These stacks are registered with the Environmental Management Agency. During the FY2022/23, all the stacks were subjected to emissions tests on a quarterly basis and the results were within the legally acceptable range. In addition to the boiler stacks, the Medical Centre Incinerator, fixed generators and vehicular emissions are tested quarterly to ensure that they are operating efficiently and releasing less harmful pollutants to the atmosphere.

Carbon sequestration

In addition to the above measures against air pollution, the Company also practices carbon sequestration. Forests absorb carbon dioxide from the atmosphere and store it in different repositories, called carbon pools, which include trees (both living and dead), root systems, undergrowth, the forest floor and soils. Live trees have the highest carbon density, followed by soils and the forest floor.

As urbanisation increases in Zimbabwe as well as the population grows, the risk for deforestation also increases to pave way for farmland and residential land. This has been a growing concern in Zimbabwe with natural ecosystems such as wetlands being destroyed.

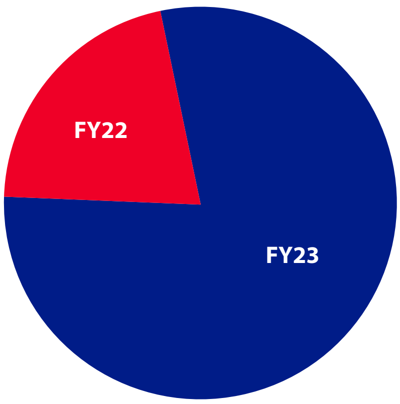
Hippo Valley Estates believes that forest preservation is the best carbon sink method. We are therefore on a drive to restoring forests and educating our key stakeholders on the importance of forestry. We believe, this is the only way we can collectively achieve the Net Zero goal.



Trees we planted

FY22 6,106
FY23 12 500

67% in 2023
33% in 2022



Responsible water usage

Water is a key resource for the livelihood of people, animals and plants. Given the droughts experienced in Zimbabwe, as Hippo Valley Estates we believe that conserving water is important because we cannot survive without it. Using less water keeps more in our ecosystems and helps to keep wetland habitats topped up. In our business, water is used in our supply chain, mostly by farmers as well as in our own operations. Our cane is 100% irrigated hence our operation relies heavily on water. Throughout the world, agriculture accounts for a huge percentage of water withdrawal. As players in the Agricultural sector, we therefore strive to ensure that there is minimum disruption to the water cycle and that our activities have minimum effect to the water quality.

Our Approach

Hippo Valley Estates generates wastewater from the Mill (mill effluent) and the villages (sewage) that it operates. To minimise water pollution from these discharges, mill effluent is being mixed with raw water and used for irrigation. A project to line the remaining effluent drain from the Mill was implemented during the last quarter of the financial year. Two projects were also implemented to rehabilitate and improve performance of two sewage ponds sets. And this will further reduce chances of water pollution from these activities.

There are also various risks posed by working with water in agricultural processes. These include drowning, human attack by dangerous aquatic animals and snake bites. To manage these risks, Hippo Valley Estates conducts several risk awareness campaigns every year across operations and including the surrounding communities.

Energy usage

In Zimbabwe, electricity generation is mainly from Hydro power stations as well as Thermal power stations. Hydro power has been largely affected by low water levels at Kariba dam which often results in load shedding. With the electricity power crisis in Zimbabwe, as a responsible citizen, Hippo Valley Estates finds it important to avoid wastage in usage of power. The alternative main source of electricity on the national grid is from thermal power plants, which burn coal. The burning of coal however has a huge carbon emission level, thus by utilizing a lot of energy, one will be putting pressure on carbon emission, thus increasing the carbon footprint. As Hippo Valley Estates, we believe, it is our responsibility to utilize clean sources of energy and reduce pressure on the national grid, and where possible also contribute to the national grid to ease the pressure on thermal power usage. We believe that the longer we go without making significant changes, the greater the threat of global warming and climate change becomes to our daily lives.

Our performance towards energy usage has been as follows:

- **Making use of solar energy**
  The Company is actively exploring opportunities to save energy by installing solar energy generation plants across the Estate to provide power for irrigation with a successful pilot project has been done in one of the new cane land development projects.

- **Using energy efficient equipment and tools**
  Hippo Valley Estates has been on a drive to replace obsolete water pumps with modern and energy efficient pumps. Thirty conventional window-type aircon units were replaced with energy saving split units, which consume 41% less energy. Forty (40) conventional electricity powered geysers were replaced with solar geysers, bringing the number of geysers replaced in the past 3 years to 104.

- **Internal energy generation**
  Sugar cane is one of the most efficient converters of solar energy into biomass via photosynthesis. The major components of sugar cane are the sugar fraction and the fibre fraction. The fibre fraction called bagasse is extracted and consumed as part of the sugar production process. The mill combusts bagasse in boilers to generate steam for downstream processes which in turn creates thermal energy. This process is therefore a combined use of managing the waste and at the same time utilization of bagasse as fuel. The bagasse produces thermal energy on combustion and gives off carbon dioxide as a by-product, but carbon dioxide produced is then absorbed by the next generation of cane making the process carbon neutral. Currently, the Hippo Valley Estates mill, doesn't generate enough bagasse to support the whole sugar production process. To augment the shortfall, coal is used alongside bagasse.

During the year under review, 57,411 MWh of electricity were generated with 3,528 MWh exported and banked in the national grid for use when the mill has a deficit.

- **Making use of gas**

To eliminate the traditional use of firewood by employees, the Company provides employees with LPG (Liquified Petroleum Gas) cooking units. During the current year, 140.5 tonnes (2022: 120.42tonnes) of Liquid Petroleum Gas (LPG) were distributed for use by employees. This has had the effect of reducing natural carbon sink and deforestation.

The installation of solar energy generation facilities throughout the plantation, and routine testing and monitoring of emissions all serve to highlight Hippo Valley Estates' dedication to environmental stewardship. These initiatives enhance environmental sustainability, encourage sustainable resource usage, and lessen the company's carbon impact.

Safe waste management

Hippo Valley Estates operations generate different types of waste as it conducts its various operations. From the harvesting point to the final production of sugar, the types of waste produced are (i) sugarcane bagasse, (ii) dry leaves and sugarcane tops, (iii) boiler ash and (iv) molasses.

Our performance on waste management

Hippo Valley Estates has a robust waste management approach which ensures minimal impact of waste disposed to the environmental as well as meeting regulatory requirements on waste disposal. Hippo Valley Estates takes part in several activities which include waste reduction, recycling, reducing air and water pollution etcetera. We are committed to disposal of waste only in a safe manner to both the environment and the society. Below are some of our waste disposal methodologies:

Sugar production waste

- Sugar cane bagasse is mainly converted into thermal energy, see section Energy usage, of this report. The process is carbon neutral thus has minimal contribution to global warming;
- Dry leaves and sugarcane tops are collected by livestock farmers and used as stock feed;
- Boiler ash from bagasse fired boilers is used in rehabilitation of borrow-pits;
- Molasses is sold to sister company Triangle Limited for production of ethanol and other various industries, including livestock-feed and yeast production industries.

Paper, plastics, and tyres

To reduce the impact of waste on the land, Hippo Valley Estates conducts awareness campaigns to promote waste reduction on source. We therefore encourage limited usage and where necessary avoidance of usage of paper and plastics. The waste that is inevitably generated is segregated into various colour-coded bins to enable recycling. Hippo Valley Estates disposes off this waste to approved organisations which recycle them. In the year ended 31 March 2023, Hippo Valley Estates operations sold 165tonnes (2022: 120tonnes) of recyclable waste (paper, plastics and used tyres).

Scrap Metal

From our operations, scrap metal is sometimes generated from machinery and equipment replacements. All scrap metal is collected at designated points for the safety of our employees. Collected scrap metal is sold off to licensed recycling companies on regular intervals. In the year ended 31 March 2023, Hippo Valley Estates operations sold 1,165.7 tonnes (2022: 743.26) of scrap metal.

Used oil

From our operations, a lot of used oil is generated from maintenance of our machinery and equipment. All used oil is safely stored before being disposed off to licenced recycling companies. In the year ended 31 March 2023, Hippo Valley Estates operations sold 53.052 tonnes (2022: 49.45tonnes).

The increase in the number of players in the waste recycling field has led to a notable increase in the amount of waste that is being sent for recycling.

General waste (Non-hazardous)

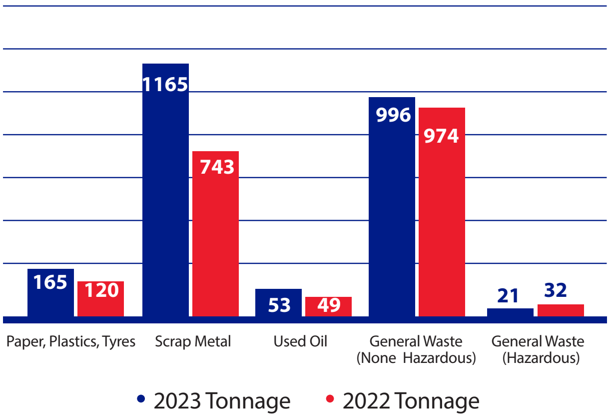
Non-hazardous general waste is disposed off at the registered domestic waste landfill. In the year ended 31 March 2023, Hippo Valley Estates operations disposed 995.84 tonnes (2022:973.70 tonnes) on the domestic land fill.

General waste (Hazardous)

Hazardous general waste is disposed at the company's lined and registered waste disposal facility with 21 tonnes (2022: 32,3 tonnes) disposed.

Some of the damage to the environment from waste disposal may occur along our supply chain. The Company continues to encourage supplying cane growing partners to manage the disposal of empty fertilizer, pesticide and herbicide packaging. The out growers are also urged to adopt appropriate procedures for cleaning rigid containers, as well as storage, in accordance with all relevant legislation.

Waste disposal management approach



Our Performance - (S) Social

Our Approach

Our approach to business is to create value not just for us, but also for the society we operate in. Hippo Valley Estates operates a robust and responsive Socio-economic Development (SED) programme, which is anchored on promoting food security, infrastructure development, education, health, entrepreneurial development and sustainability of the environment.

Our Performance

The following are some of the activities carried out towards our responsibility to the society.

Food Safety and Quality

The quality and safety of our sugar is something we regard highly and cannot be compromised on. Our quality assessments start from the fields until the sugar is delivered. We have invested in technology, processes and people that ensure the best quality is produced. All the inputs to our products are carefully evaluated and graded on quality before being accepted. Further, in the current year, we invested USD$276,968 in programs aimed at enhancing storage conditions, packing operations, and reducing transportation incidents to ensure our customers get the best quality sugar which is safe to consume.

Supporting local farmers

Hippo Valley Estates continues to provide input and extension support to over 917 farmers operating on approximately 20 000 ha. A rigorous training program is currently running where farmer supervisors are taken through sugarcane crop production courses covering irrigation water application and scheduling, crop protection and crop nutrition. A new course on farm management was introduced and will be rolled out beginning in 2023. The Co-Management Program through which the Company continues to partner some private farmers by co-managing their previously underperforming farms, is in progress and bearing significant results on the sugarcane yields. Technical and extension services to the private farmers continues, as well as several new sugar-cane development projects for the benefit of the local community.

Responsible sugar consumption

Millions of Zimbabweans wake up to a cup of tea, coffee or other beverage which contain sugar. Our product is therefore a key ingredient in the diet of the greater part of our population. Sugar is part of a healthy diet that promotes productivity. The breakdown of sugar produces glucose, which is the body's primary source of energy. However, as Hippo Valley Estates, we are also conscious of the fact that over-consumption of sugar may cause health related complications such as tooth decay, diabetes and obesity.

We therefore have strong policies and awareness industry campaigns for responsible use of sugar. We have engagements with our stakeholders to assist them on responsible sugar consumption and creation of sugar consumption policies. All the Sun Sweet table sugar packed by the Company is fortified with Vitamin A as per the law.

Contributing to Food Security

1 544 tonnes of Wheat delivered to GMB Rutenga.

As part of fulfilling our sustainable goal of alleviating food shortage in Masvingo Province, Hippo Valley Estates Limited together with Triangle Limited in partnership with the Masvingo Province Development Trust, planted a total of 603 hectares of wheat at Mwenezana Estate yielding 1 544 tonnes of wheat delivered to GMB Rutenga.

Infrastructural development

Chiredzi Ward 28 project

Hippo Valley Estates constructed two footbridges in Chiredzi Ward 8 in response to accessibility challenges communities were facing during the rainy season due to flooding.

ZRP Projects

Together with Triangle Limited, the Company entered a Public Private Partnership with Zimbabwe Republic Police (ZRP) to provide office space to 60 officers who were occupying a makeshift building. A total of 12 offices with ablution facilities were constructed. The office block was officially handed over on 10 November 2022.

Chief Tshovani unveiling the plaque at the official handover of the ZRP 12- Office Block in Chiredzi.

The Zimbabwe Republic Police 12-Office Block constructed to provide space for 60 officers.

Promoting Health and well-being of our communities

To achieve our goal of promoting good health and well-being of the communities surrounding our operations, Hippo Valley Estates Limited together with Triangle Limited supported the communities of Chiredzi North to renovate two Clinics and two Staff houses at a total cost of USD$50 000.

A maternity and child care section at a Hippo Valley Estates Clinic accessible by the Hippo Valley community

Admission wards at a Hippo Valley Estates hospital

Supporting women in our societies

In terms of our commitment to promoting and capacitating women in communities we operate in, Hippo Valley Estates Limited together with other corporates sponsored the holding of an International Women's Day event in Mwenezi. Over 200 women attended the event which presented an opportunity for women entrepreneurs to exhibit and market their wares and produce.

Water Bodies and Wildlife protection programs

A management agreement for Mteri Wildlife and Lodges which was entered into with a private operator with experience in wildlife management, continues to run smoothly. Following the introduction of this partnership, incidents of poaching were reduced and business at the Mteri Lodges also improved significantly with higher occupancy levels and at full capacity during the Christmas holidays. The Chilonga Community started receiving their share of income as well as fish harvested from the Mteri Dam through the Chiredzi Rural Community Development Initiative Trust. This move is meant to encourage the community to also participate in the protection of wildlife against poaching. The Trust continued to provide some security around the Mteri game area creating much-needed employment for the local community.

Donations towards charity

Hippo Valley Estates together with Triangle Limited donated a total of 6 800 tonnes of sugar to various charities that included St Giles, SOS Children's Village, Harare Children's Home, Jairos Jiri, Tanyaradzwa Children's Home, Matthew Rusike, Ngomahuru, Alfred Water Hostel, Henry Murray, Margaret Hugo, Rudo Isimba Foundation, Chambuta Children's Home and Chiredzi Christian Children's Home.

Our 2023 social outlook

603 hectares of wheat planted at Mwenezana Estate

1 544 tonnes of wheat delivered to GMB Rutenga

12 offices with ablution facilities constructed for ZRP

2 footbridges in Chiredzi Ward 8

2 Clinics renovated in Chiredzi

Sponsored International Women's Day event in Mwenezi

Over **200** women attended.

6 800 tonnes of sugar donated

Our Employees

What we aim to achieve

Our staff remain the most important pillar to our operations. We regard their welfare highly and strive to create a work culture and environment that is best for their well-being. As Hippo Valley Estates we strive to achieve the following for our employees:

- Create a safe working environment for our staff;
- Create a work environment that is fulfilling to our staff and which enable staff to achieve their purpose;
- Reward our employees sufficiently and recognize high performance;
- Improve the livelihoods of the employees as well as their families;
- Promote diversity and gender equality;
- Empower our employees in their line of work and unlock their potentials through skills development;
- We encourage growth and a good work life balance;
- High talent retention.

Our Metrics

- **7 322** staff employed during peak harvesting and milling season;
- **5 693** staff employed during off peak seasons;
- **45%** of the technical, professional, and managerial vacancies during the year were filled by female employees against a set target of 40%;
- **15.7%** Gender Equity level against a target of 18.8% in respect of managerial staff levels;
- **79.45%** key jobs cover ratio against 77.61% .in 2022;
- **5%** increase in employee satisfaction level compared to 2022;
- **66%** overall employee satisfaction level;
- **3.66%** labour turnover rate;
- **5 707** houses provided to Hippo Valley Estates employees;
- **107 847** people including employees were attended to at the Hippo Valley Estates Medical Center and its satellite clinic;
- **4 707** pupils were enrolled in 2023 on Hippo Valley Estates' 10 schools.

Our approach and performance

1. Creating a safe work environment

Approach

Hippo Valley Estates' risk management strategy on occupational healthy and safety is thorough and proactive. By identifying and controlling hazards, managing contractors, running risk awareness campaigns, getting certified, and constantly improving the workplace safety culture, Hippo Valley Estates reduces the number of occupational healthy and safety risks.

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 our health risk management.
Occupational injuries are investigated for root causes and workplace improvement to avoid recurrence.

In the 2023 financial period, we retained certification in respect of the Occupational Health and Safety (ISO 45001:22018) in the Annual Surveillance Audit of the Management Systems conducted during the second quarter of 2022.

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

We identified Cane Haulage as one of the high-risk operations within the company. To manage this risk, several interventions are being implemented, including the following ones:

- Installation of reverse sirens on all cane haulage tractors. This will help in alerting any employee who could have been behind the tractor, and thus prevent an incident;
- Prohibition of cell phone use in busy areas including loading zones and infield operations and demarcation of "Cell-Phone Use" zones;
- Inclusion of more safety requirements in the contracts of Cane Haulage contractors, such as use of tractors with reverse sirens and seatbelt minders, alignment of contractor shift cycles with Hippo Valley Estates shift cycles, seatbelt minders and tracking;
- Issuing of communication radios to contractors to improve on communication and supervision.

Our Safety Performance

The following safety metrics are used to manage and monitor safety performance:

Occupational incidences

There was one occupational health case with irreversible health effects during the financial year ended 31 March 2023. There were 4 occupational health incidents with over exposure to workplace related factors. Regrettably, Hippo Valley Estates recorded 1 work related fatality (2022:1) during the year. A chain hand employed by a third-party cane haulage contractor was run over by a third-party peri-loader as the loaded tractor was reversing. The entire cane haulage contractor engagement process has since been reviewed to heighten safety controls and to mitigate any further safety. The Company remains committed to observing controls around matters of occupational safety to avoid any further injuries or fatalities.

Healthy Surveillance and Monitoring programs

Medical surveillance programs that were suspended due to COVID-19 pandemic, were reintroduced during the 2023 financial year.

The following healthy surveillance and monitoring activities were conducted during the year to ensure staff involved were fit for work (wellness programs are in place for those that fail the medical surveillance and monitoring test):

1. Medicals	YTD
Pre-Employment Medical	4 695
Exit Medical	2 802
General Periodical Medical (Wellness)	2 008
2. Medical Surveillance Program	
Cane Cutter	913
Drivers Medical	376
Fire Fighters	15
Food Handlers Medical	661
Pneumoconiosis	0
WAH – Working At Heights	1 122
3 Biological Monitoring Programs	
Cholinesterase(Organophosphate)Monitoring	620
Chromium (Welding) Monitoring	75
Lead Monitoring	40
Mercury Monitoring	0
4 Drug and Substance Abuse Monitoring	
Alcohol Monitoring	19 914
Cannabis	687

Lost Time Injuries (LTI)

This is a measure of injuries recorded during the reporting year. Lost time injuries encompass both temporary injuries that keep the employee away from work for a day or more as well as permanent disabilities and conditions that prevent the employee from ever returning to the job or performing their regular work tasks. Employees who return to work after sustaining a work-related injury are still counted among the company's lost time injuries if they are unable to perform the duties outlined in their job descriptions.

Lost Time Injury Frequency Rate (LTIF)

This refers to the amount or number of lost time injuries, that is, injuries that occurred in the workplace that resulted in an employee's inability to work the next full work day or more, which occurred in a given period relative to the total number of hours worked in the accounting period.

LTI and LTIF Statistics

A total of 2 (2022: 7) Lost Time Injuries were recorded during the year, against a limit of 3 (2022:4).This resulted in a Lost Time Injury Frequency Rate of 0.018 (2022: 0.063).

Hippo Valley Estates Healthy and Safety Statistics and Rules Notice Boards on HVE Premises

2. Rewarding our employees sufficiently

As Hippo Valley Estates, we ensure that all our staff are fairly remunerated. This is achieved by timely reviews of remuneration and ensuring that the compa ratios for various roles are improved to be close to market. We hold various engagements with our staff and attend to key employee issues raised regarding compensations and conditions of service. Work on improving compa ratios that are out of kilter for existing employees will be attended to during FY24.

Engagement at the National Employment Council for the Sugar Milling Industry has been ongoing although there was a deadlock on second quarter wages. Management has since undertaken internal processes to cushion employees against the harsh economic environment.

3. Skill development and Talent retention

To operate sustainably, Hippo Valley Estates believes that its employees must continuously learn, sometimes unlearn and relearn in their respective areas. New environmental ways of farming and manufacturing sugar are being developed and it is our top priority that our employees learn and practice them and unlearn and cease the old ways. We believe through proper skilling of our staff, this is the only way we can deliver on our strategy and customer satisfaction.

To identify the right skills to develop, annually we conduct a skills audit. In 2023 financial period, the skills audit was conducted and results of the audit have been used to come up with key interventions including:

a) Diversity and Inclusion Plan;
b) Capability Actions; and
c) Culture Actions.

The Talent Review has also provided information on key skills which are at risk of being lost and the development of interventions to retain the skills. Potential successors have been identified together with their levels of readiness for higher level roles and required development areas.

The Capability budget for FY24 incorporated skills gaps and development areas identified in the FY23 review and a budget has been approved for identified employees to go through training based on the 70:20:10 approach. A Management Development Program for 10 or more managers is being finalised together with an Emerging Managers Programme for 10 and above junior managers.

We also run a succession plan program on key jobs. This is a program that identifies successors and their level of readiness for higher level roles and capacitate them. The number of key roles with ready successors is monitored and we refer that to as Cover ratio. The cover ratio for key jobs improved from 77.61% in FY22 to 79.45% in FY23.

4. Promote diversity and gender equality.

As Hippo Valley Estates, we respect and embrace the diversity of people. We recruit and provide equal opportunities and rewards to our employees regardless of their backgrounds, ethnicity or gender. Our policies do not promote discrimination but rather create a sense of belonging and a culture of inclusiveness.

The company ended the year at 15.7% against a Gender Equity target of 18.8% in respect of managerial staff levels (D band and above). We had 45% of the technical, professional and managerial vacancies being filled by female employees against a set target of 40%.

The thrust on gender diversity is being cascaded to lower levels.

In addition, culture clubs, which have defined the existing culture in line with the company goals and values, have been set up and are meeting monthly to discuss current issues, highlight current challenges and assist in dissemination of information to various levels of employees.

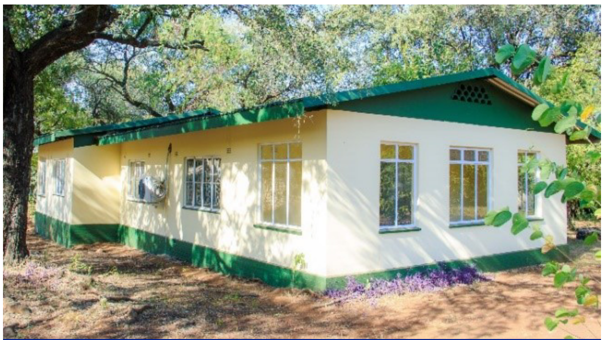
5. Improve the livelihoods of the employees as well as their families.

Our aim

At Hippo Valley Estates, our philosophy is that our relationship with our employees is beyond just work. We believe in alignment of personal goals with organizational goals, thus one cannot achieve the organisational strategy if their personal goals are not aligned to those of the entity. We therefore make it our duty to understand the needs of our employees and their families with an intention of assisting employees to meet all their basic needs. In line with the UN SDGs, it is our top priority that for all Hippo Valley Estates employees and their immediate families, they should have:

Our approach and performance
In order to meet the above aims towards the welfare of our employees and their families, the following approach is taken:

- **Housing:** Employees are provided with accommodation on the Estate and in Chiredzi town suburbs. The Company has 4 Mill villages with a total of 1,779 houses, accommodating all general staff employees who work in the Mill. These villages are built close to the mill so that employees do not have hassles going home after finishing work. These houses are maintained by the company.



Hippo Valley Estate has 293 senior staff houses for all mill and administrative employees.

The Company has a further 3,635 houses for general employees who work in the various sections growing cane for the mill. These houses are located in the 27 section villages around the estate. Each section has its own set of employees staying closer to the fields where they work.

- **Sports and recreational facilities** – Hippo Valley Country Club and its complimentary sports facilities are available to employees and their families for good physical upkeep of their bodies.

- **Hospital:** Hippo Valley Medical Centre provides all health and medical services for its employees and their families. The facility has 60 beds, and a staff compliment of 33 permanent Nurses and 5 resident Doctors.

During FY 2023 a total of 107,847 people were attended to at the Medical Center and its satellite clinic.

- **Schools -** there are 9 primary schools and one secondary school on Hippo Valley Estates which were built and are maintained by the Company. The schools mostly cater for employees' and surrounding communities' children.

Hippo Valley Primary School teachers and pupils

Hippo Valley Estate Schools Enrolment and Staffing Statistics - 1st Term 2023

School	Enrolment			Staff Establishment		
	Total	Females	Males	Total	Females	Males
Hippo Valley Estate Primary Schools						
Bani	454	245	209	16	12	4
Citrus	218	117	101	12	8	4
Chishamiso	488	256	232	16	12	4
Dapi-tapi	477	231	246	15	11	4
Gaba	458	246	212	17	13	4
Gozonya	395	198	197	13	9	4
Machureni	471	230	241	14	10	4
Ngwindi	725	365	360	23	19	4
Hippo Valley Primary School	219	109	110	15	6	9
TOTAL	**3 905**	**1 997**	**1 908**	**141**	**88**	**37**
Hippo Valley High School						
Hippo High	1 021	495	526	50	28	22
Summary						
Primary Schools	**3 905**	**1 997**	**1 908**	**141**	**88**	**37**
High School	**1 021**	**495**	**526**	**50**	**28**	**22**
GRAND TOTAL	**4 926**	**2 492**	**2 434**	**191**	**116**	**59**

There has been significant investments in educational support for the 10 schools on the Estate with a combined enrolment of 4 926 pupils. In the schools 50% of students enrolled are female, as are 60% of the staffing complement.

Ngwindi Primary School teachers and pupils

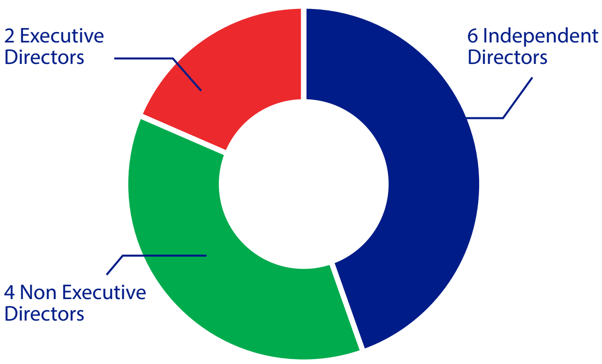
Corporate Culture

The Company is committed to promoting the highest standards of ethical behavior amongst all its employees. All employees are required to maintain the highest ethical standards in ensuring that Company's business practices are conducted in an ethical manner.

The company embedded a comprehensive ethics management program which includes a whistle-blowing service, reporting non-compliances, managing conflicts of interest and internal audit reviews which report on trends, root cause analyses and financial impact of ethics violations.

The Board of Directors plays a pivotal role in setting the moral tone and determining the ethical standards that are entrenched into the internal controls, policies, terms of reference and overall corporate governance processes that ensure adequate oversight and control. The Board adopted and abided by the Zimbabwe National Code of Corporate Governance.

Our Board Responsibility, Composition and Performance



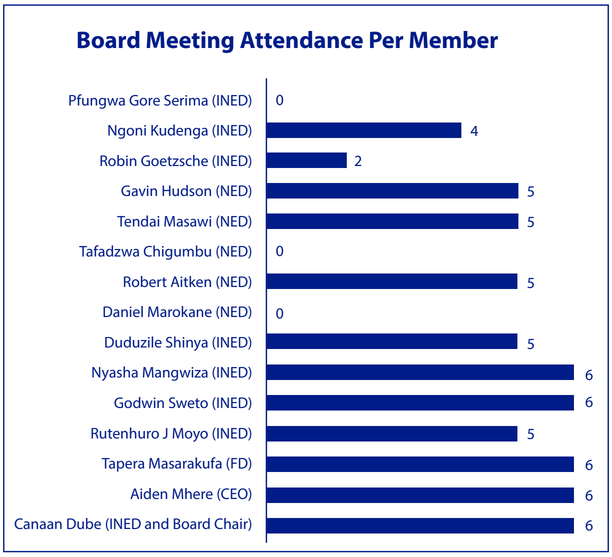
Number of meetings held 6
Females on the board 2

The Board is responsible for setting the strategic direction of the Company, ensuring that the necessary structures and processes are in place to achieve the strategy and agreeing on appropriate indicators to measure the Company's performance against its strategic objectives. The Board is also ultimately responsible for rebuilding the trust of our stakeholders and ensuring the protection of Company's license to operate.

The Company has a diverse twelve-member Board that comprises of two Executive, four Non-Executive and six Independent Non-Executive Directors, two of whom are females. All the Directors bring to the Board a wide range of expertise as well as significant professional and commercial experience and in the case of independent non-executive Directors, independent perspectives and judgement.

The Board is chaired by an Independent Non-Executive Director and meets on a quarterly basis, to consider the results for the period, issues of strategic direction on policy, corporate transactions, approval of major capital expenditure and other matters having a material effect on the Company.

Appointment of new Directors is approved by the Board after considering recommendations from the Remuneration and Nominations Committee.



*Mr N.Kudenga retired on 27 October 2022.
*Messrs R. Goetzsche and G. J. Hudson resigned effective 3 November 2022 and 1 March 2023, respectively.

*Messrs D. L. Marokane,T. Chigumbu and P. G. Serima were appointed effective 20 March 2023, 20 March 2023 and 1 July 2023 respectively .

INED - Independent Non-Executive Director
NED - Non-Executive Director
FD - Finance Director
CEO - Chief Executive Officer

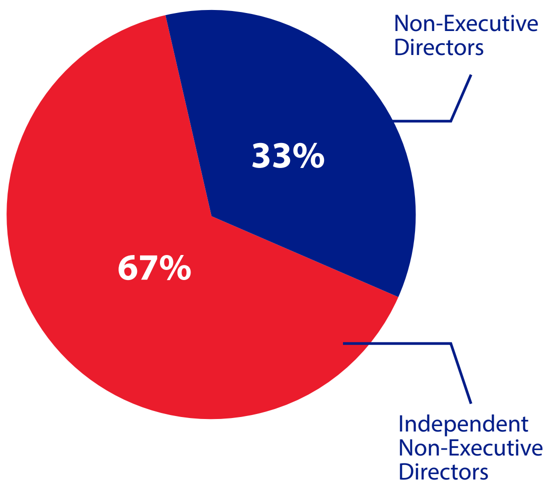
Board Skills and Expertise

	Name	Appointment Date	Status	Skills & Experience
1	Canaan F Dube	August 2020	Board Chairman (Independent Non-Executive)	Legal, environmental social and governance (ESG), leadership, strategy
2	Aiden Mhere	November 2018	Chief Executive Officer	Leadership, strategy, operations, strategic sourcing, commercial, finance, agro-industry knowledge, regional experience
3	Tapera Masarakufa	April 2022	Finance Director	Finance, accounting, multinational experience
4	Tendai R Masawi	December 2021	Non-Executive	Engineering, operations, technical and leadership
5	Robert Aitken	February 2019	Non-Executive	Finance, accounting and reporting
6	Daniel L Marokane	March 2023	Non-Executive	Engineering, strategy, operations, stakeholder management, transformation improvement and leading organizational culture change.
7	Godwin Sweto	August 2020	Independent Non-Executive	Engineering, technical, leadership, strategy
8	Rutenhuro J Moyo	August 2020	Independent Non-Executive	Strategy, business development, management development, human capital, finance, regional experience
9	Duduzile K Shinya	April 2022	Independent Non-Executive	Technical skills in finance, accounting, strategy and operational exposure.
10	Nyasha J J Mangwiza	April 2022	Independent Non-Executive	Strategic human capital management, accounting and transformation.
11	Tafadzwa Chigumbu	March 2023	Non-Executive	Accounting, petrochemicals, logistics, construction and industrial manufacturing.
12	Pfungwa G Serima	July 2023	Independent Non-Executive	Innovation and technology, strategy, operations, organizational leadership and program/solution development experience.

Board Committees

The Board has established structures of delegation to allow for the assignment of authority while enabling the Board to retain effective control. The Board has four committees in place, that is, the Audit and Compliance Committee, the Remuneration and Nominations Committee, Risk Management Committee and Stakeholder Management Committee.

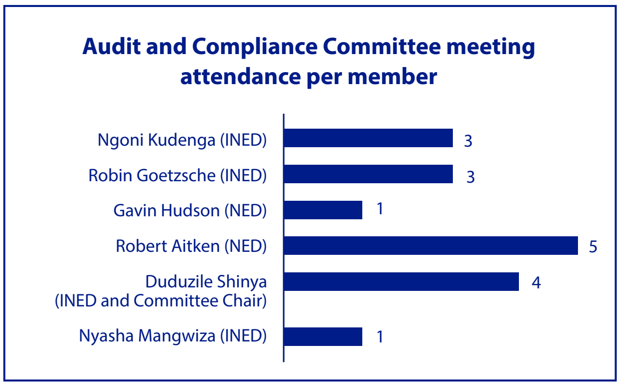
Audit Committee



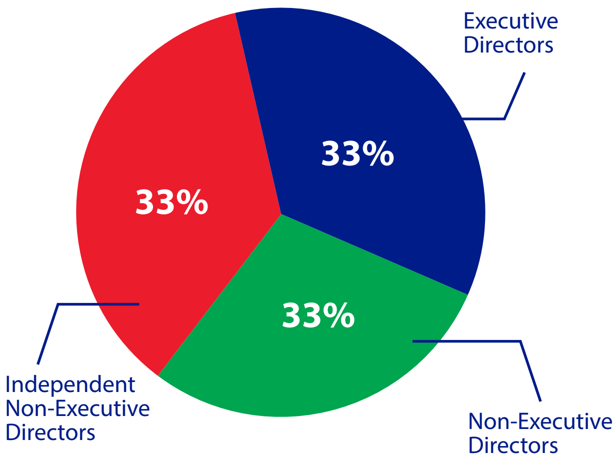
Number of meetings held 5

The Audit Committee oversees the company's compliance with legal and regulatory requirements including but not limited to its compliance with generally accepted accounting practices. Further information on the activities of the Audit Committee is contained in the Audit Committee Report on page 34 to 35.

The Audit Committee is comprised of two Independent Non-Executive Directors and one Non-Executive Director. The Committee is chaired by an Independent Non-Executive Director and 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 year-end financial reporting meet acceptable accounting standards. The Internal Audit function monitors 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 year-end financial reporting meet acceptable accounting standards. The Internal Audit function has been outsourced.



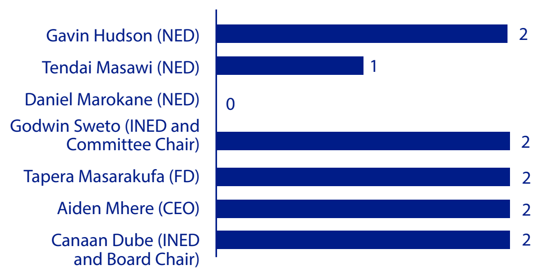
Risk Management Committee



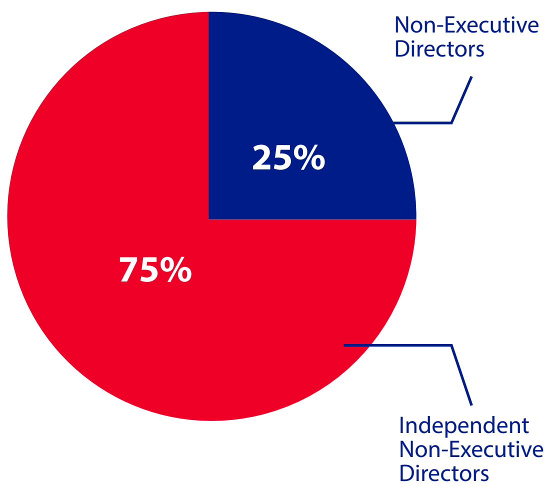
Number of meetings held 5

The Committee comprises of two Independent Non-Executive Directors, two Non-Executive Directors and two Executive Directors. The Committee is chaired by an Independent Non-Executive Director and has been delegated with the responsibility to monitor, among others, risk governance. The Company's enterprise risk management process identifies, assesses and responds to threats and opportunities, considering the impact on its people, reputation, financial position, and performance, as well as its ability to create long-term value for its stakeholders. Through the guidance of the Committee the Company pursues prudent risks that it believes will generate sustainable performance and value while avoiding intolerable risks. In doing so, it aims to respond effectively by managing residual risk within defined levels and by capitalising on attractive opportunities that present themselves.

Meeting attendance per member

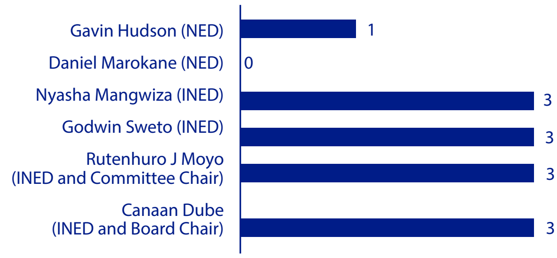


Remuneration and Nominations Committee



Number of meetings held 3

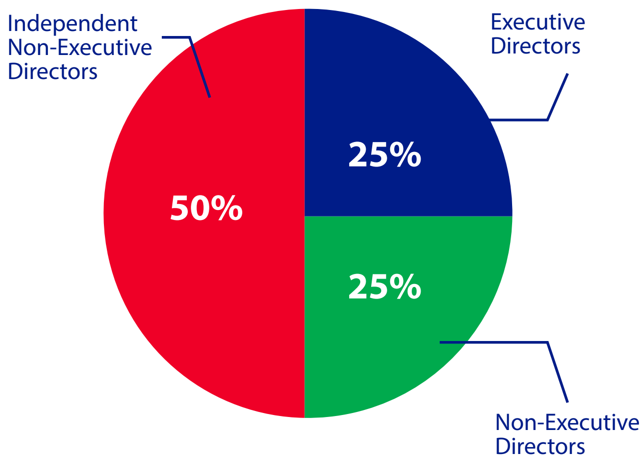
Remuneration and Nomination committee meeting attendance per member



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. 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 Company.

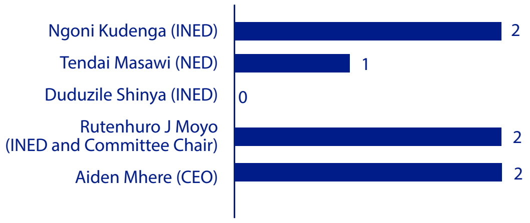
The Directors are appointed to the Board to bring appropriate management, direction, skills and experience to the Company. They are, accordingly, remunerated on terms commensurate with market rates that recognise their responsibilities to shareholders for the performance of the Company. These rates are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

Stakeholder Management Committee



Number of meetings held 2

Stakeholder Management Committee meeting attendance per member



The Stakeholder Management Committee is ad hoc Committee established to deal with a broad spectrum of stakeholders which management is dealing with of strategic significance. The Stakeholder Management Committee consists of two Independent Non-Executive Directors, including its Chairman, the Chief Executive Officer and one Non-Executive Director. The responsibility of the Committee is to assist the board to oversee the implementation of an effective policy and plan for stakeholder management that will enhance the Company's ability to achieve its strategic objectives and to ensure that the Company manages stakeholder related risk, reputation, legitimacy, and relationship building to create a sustainable future for all stakeholders.

Directorate Changes

Retirements and resignations

- Mr Ngoni Kudenga a long serving dedicated Independent Non-Executive Director retired from the Board.
- Messrs Robin Goetzsche and Gavin J. Hudson also resigned from the Board.

The Board is grateful for their valuable contribution during their tenure and wish them well in their future endeavours.

New appointments

The Board appointed three Non-Executive Directors being:
- Messrs Daniel L. Marokane
- Tafadzwa Chigumbu
- Pfungwa Gore Serima

Daniel is the Interim Chief Executive Officer of Tongaat Hulett Limited further to his responsibility as the Chief Business Transformation Officer. He holds a BSc Chemical Engineering), MSc (Petroleum Engineering) and MBA. Dan is a seasoned business executive with experience gained in the energy, infrastructure, engineering, and manufacturing industries, with turnaround experience and adept at dealing with complex strategic, operational, human capital and stakeholder issues, with a demonstrated track record in business performance transformation improvement and leading organizational culture change. He is also the former Chairman of the Hippo Valley Estates Limited Board for three years.

Tafadzwa has an Accounting degree and a member of the Chartered Institute of Management Accountants (CIMA). He is an accomplished entrepreneur and business executive with vast experience in several Zimbabwean Industries. He previously worked at NSSA, Anglo American Corporation Zimbabwe and Nampak. He subsequently founded businesses in petrochemicals, logistics, FMCG, construction and industrial manufacturing. He is currently the Chief Executive Officer of Redan Coupon Private Limited.

Pfungwa is currently the Group Chief Executive Officer for Metrofile Holdings Limited. He is a seasoned Strategy & Operations professional with extensive organizational leadership and program/solution development experience. Pfungwa holds a Bachelor of Business Studies and Computer Science and has had hands on experience working with established and new institutions (both Private and Public Sector) across the African Continent. He brings to the Board the much-needed Innovation and Technological experience having established, developed, and led successful sales and marketing teams in the IT sector. He previously held the positions of Chairman and Chief Executive Officer of Systems Applications and Products (SAP) Africa as well as Managing Director for Microsoft South Africa. He has held various Executive positions in local entities and directorship positions in South Africa.

Board Evaluation

The Board is fully committed to a formal evaluation process of the Board, its Committees and its Directors and has established processes to undertaking formal evaluations. In prior year, the Committee had commenced the evaluation of the performance of Board and Board Committee and in the current year the evaluation was extended to self-assessment, peer evaluation of individual Directors and the Board Chairman. The Board continues to look for opportunities to expand and improve its evaluation processes.

Retirement of Directors
All Directors except for 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 Tendai R. Masawi, Tapera Masarakufa, Canaan F. Dube and Robert D. Aitken retire by rotation in terms of Article 100 of the Articles of Association. Messrs Tendai R. Masawi, Tapera Masarakufa and Canaan F. Dube and Robert D. Aitken being eligible, offer themselves for re-election.

Director Training
During the year Environmental Social and Governance (ESG) and Enterprise Risk Management training sessions were conducted for the Directors to enhance their knowledge in these areas of strategic importance to the business.

Share Dealings
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. The Directors, officers and employees of the Company are informed of the closed period by the Company Secretary.

Pauline Kadembo
Company Secretary

23 June 2023

Statement of Directors' Responsibility for Financial Reporting

The Directors of the Group and Company 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 and Company 's independent auditors, Ernst & Young, have audited the financial statements and their report appears on pages 36 to 41. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the provisions of the Zimbabwe Companies Act (Chapter 24.03), Zimbabwe Stock Exchange listing requirements 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 and separate 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 2024 and in light of this review and the current financial position, they are satisfied that the Group and Company have access to adequate resources to continue in operational existence for the foreseeable future.

In light of exchange rate volatilities and hyper-inflationary environment, the Directors and management urge users of the financial statements to exercise due caution. The respective notes mentioned above seek to provide users with more information given the context and the aforementioned guidance.
The consolidated and separate financial statements set out on pages 42 to 117 were approved by the Board of Directors on 23 June 2023 and signed on its behalf by:

C F Dube
Chairman

A Mhere
Chief Executive Officer

23 June 2023

Preparer of financial statements

The Group and Company's financial statements have been prepared under the supervision of T Masarakufa, CA (Z).

T Masarakufa
Registered Public Accountant number 848

Directors' Report

The Directors have pleasure in submitting their report and the financial statements of the Group and Company for the year ended 31 March 2023. The Group and Company's Independent Auditors, Enrst & Young, have audited the financial statements and their report appears on pages 36 to 41.

Share capital and reserves

During the year there was no change in the authorised and issued share capital of the Company. At 31 March 2023 the number of authorised shares amounted to 200 million ordinary shares of which 193 020 564 were in issue.

The movement in other components of equity of the Group is as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Balance at the beginning of the year	(843 226)	(766 260)	280 425	209 594
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	291 612	(76 966)	856 522	70 831
Balance at the end of the year	**(551 614)**	**(843 226)**	**1 136 947**	**280 425**

Group profit or loss account for the year ended 31 March

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Profit before tax	25 884 628	21 349 381	58 158 744	10 093 803
Income tax expense	(8 662 871)	(7 491 166)	(15 356 490)	(2 674 111)
Profit for the year	**17 221 757**	**13 858 215**	**42 802 254**	**7 419 692**
Retained earnings brought forward	62 760 636	51 803 038	12 345 780	5 549 858
Dividend	(459 563)	(2 063 216)	(393 688)	(447 808)
Actuarial loss on post retirement provision	(4 176 681)	(895 930)	(2 770 219)	(193 254)
Share based payment	30 587	58 529	24 105	17 292
Retained earnings carried forward	**75 376 737**	**62 760 636**	**52 008 232**	**12 345 780**

Dividend
The Board declared and paid an interim dividend of US0.3 cents per share during the year ended 31 March 2023. In view of the uncertainties that prevail in the economic environment coupled with the desire to ensure that adequate working capital is maintained in the business, the Directors have not declared a final dividend for the year ended 31 March 2023.

Directorate
During the year, Mr Ngoni Kudenga a long serving dedicated Independent Non-Executive Director retired from the Board. Messrs Robin Goetzsche and Gavin J. Hudson also resigned from the Board. The Board is grateful for their valuable contribution during their tenure and wish them well in their future endeavors.
The Board appointed two Non-Executive Directors, Messrs Daniel L. Marokane and Tafadzwa Chigumbu. The Board will seek ratification of these appointments at the forthcoming Annual General Meeting.

Directors' fees
At the Annual General Meeting held on 27 October 2022, the members approved that the fees payable to non-executive directors for the year ended 31 March 2023 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 committees for the year ended 31 March 2023 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 Board appointed Ernst & Young as the Group's external auditors with effect from the beginning of 2022 financial year. The audit services of Deloitte & Touche ended on completion of their statutory responsibilities for the Group's 2021 financial year.

Preparer of financial statements
The Group and Company's financial statements have been prepared under the supervision of T Masarakufa (Registered Public Accountant number 848).

Approval of financial statements
The Group and Company's financial statements for the year ended 31 March 2023 set out on pages 42 to 117 were approved by the Board of Directors on 23 June 2023 and signed on its behalf by Messrs C F Dube and A Mhere.

Going concern basis
The Directors are satisfied that the Group and Company have 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 27).

By order of the Board,

C F Dube	**T Masarakufa**	**P Kadembo**
Chairman	Group Finance Director	Company Secretary

23 June 2023

Audit Committee Report

INTRODUCTION - The role of the Audit Committee

The Audit Committee presents its 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 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

Ernst & Young are the External Auditors responsible for the audit of the financial statements for the year ended 31 March 2023. The auditors who were appointed by the shareholders at an annual general meeting held in prior year, 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 Ernst & Young's activity, by requesting oral and written reports, reviewing the external auditor's deliverables and making further inquiries before signing-off financial statements. The Audit Committee held discussions with the external auditors during 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.

Financial Reporting

The Committee reviews the 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 2024 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 2023 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 and;
- Revenue recognition in accordance with IFRS 15.
- Valuation of inventory in accordance with IAS2
- Valuation of post retirement benefit in accordance with IAS 19

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 2023 and its financial performance for the year ended 31 March 2023.

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;
- 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. A new service provider Whistleblowers Pty Ltd, was contracted during the second half following expiry of the contract with Deloitte.

- Provided oversight over Information and Communication Technology (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.

D.K.Shinya

D Shinya

Audit Committee Chairman

23 June 2023

Building a better
working world

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Auditors
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Email: admin@zw.ey.com
www.ey.com

Independent Audit Opinion

To the shareholders of Hippo Valley Estates Limited

Report on the Audit of the Inflation Adjusted Consolidated and Separate financial Statements

Opinion

We have audited the inflation adjusted consolidated and separate financial statements of Hippo Valley Estates Limited and its subsidiaries ("the Group and Company"), as set out on pages 42 to 117, which comprise the inflation adjusted consolidated and separate financial statements of financial position as at 31 March 2023 and the related inflation adjusted consolidated and separate statements of profit or loss and other comprehensive income, the inflation adjusted consolidated and separate statements of changes in equity and the inflation adjusted consolidated and separate statements of cash flows for the year ended 31 March 2023 and 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 financial position of the Group and Company as at 31 March 2023, and their inflation adjusted financial performance and their inflation adjusted cashflows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and the manner required by the Companies and other Business Entities Act (Chapter 24:31).

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Inflation adjusted Consolidated and separate financial statements section of our report. We are independent of the group and company in accordance with international code of ethics for Professional Accountants (including International Independence standards) (IESBA Code) and other independence requirements applicable to performing audits of inflation adjusted consolidated and separate 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were most significant in our audit of consolidated and separate inflation adjusted financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate inflation adjusted financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated and separate inflation adjusted financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of risks of material misstatement of the consolidated and separate inflation adjusted financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated and separate inflation adjusted financial statements.

Key Audit Matter	How our audit addressed the matter
1. Valuation of Biological Assets – Standing Cane in accordance with IAS 41 & IFRS 13(Group and Company)	
Hippo Valley Estates Limited is required to value its biological assets at fair value in accordance with International Accounting Standard (IAS) 41 Agriculture and International Financial Reporting Standards (IFRS) 13 Fair value measurement'. As disclosed in note 6 to the consolidated and separate inflation adjusted financial statements, the carrying amount of the standing cane is significant and amounted to ZWL55 306 063 000 (2022: 36 437 394 000). The valuation process includes significant judgements, estimates and assumptions relating to the sucrose content, expected yield per field, extraction ratios, selling prices and costs to sale, some of which are Level 3 inputs (unobservable). The valuation of standing cane is therefore a Key Audit Matter.	With the assistance of our Valuation Experts we: • Evaluated the method of measurement used, the appropriateness of the circumstances and whether they are in line with acceptable industry practice. • Reviewed whether the assumptions used by management are reasonable given the measurement requirements of International Financial Reporting Standards (IFR S). • We reviewed the skills and expertise of management's experts who performed the valuation process. • We evaluated the data on which the estimate is based to confirm that the estimate (i) is accurate, (ii) is complete, and (iii) is relevant for purposes of IAS 41 by performing recalculations, inspecting source documents, and physically inspecting the cane fields. These inputs included the following: i. Estimated Residual Crystal (ERC) ii. Division of profits (DOP) iii. Average Mill-door price (MDP) iv. Average yield per hectare v. Equivalent hectarage of cane • We assessed adequacy of the fair value disclosures on the consolidated and separate inflation adjusted financial statements in terms of the requirements of IFRS 13 Fair value measurement.

2. Determination of Cost of Goods Sold (Group and Company)	
• Cost of sales for Group & Company are significant and amount to ZWL 84 521 277 000 (2022: 67 403 809 000). As disclosed in note 15 of the consolidated and separate inflation adjusted financial statements, Cane purchases included in the cost of sales amounts to ZWL48 745 562 000 (2022: 32 563 230 000).	We performed the following among other procedures, for the significant components of cost of sales:
In determining the cost of sales, the following have been considered significant: **Cane cost from out grower farmers** • A portion of the sugar cane milled to produce sugar is acquired from third party out grower farmers. The relationship is governed by the Sugar cane milling agreements. The accounting treatment of the cane purchased and cane accrual arising thereon are complex due to the complex provisions of the contracts.	**Third party out grower cane costs** • For third party cane costs, we reviewed the computations of third-party cane costs to confirm that they have been calculated using the correct mill-door price and Division of Profit (DOP) ratio and that reliable ERC tonnages have been used. • We also tested that the top-up payments for prior year crop have been correctly accounted for in current year using the current year mill-door prices.

Key Audit Matter	How the matter was addressed in the audit
2. Determination of Costs of Goods Sold (Group and Company)	
• A significant portion (more than 50%) of cost of sales for both Group & Company are cane costs. Included in cane costs are amounts payable to the third party out-grower farmers who deliver sugar cane throughout the year/season. Per the sugar cane milling agreements, the final amounts paid to farmers at the end of the season are determined based on sugar selling prices and costs for the full season (mill door prices as determined by Zimbabwe Sugar Sales. Consequently, at the time cane is delivered, the cane costs will be included in cost of sales at the mill-door price prevailing at the date of delivery. As the mill-door-price change in subsequent months, the top-ups that should be paid to the farmers for previous deliveries will be accounted for as cost of sales whilst the reduction in the mill- door price will be accounted for as a reversal to the previously recognised cost of sales. There is a large number of these out grower farmers with large volumes of deliveries per month that should be accounted for by each farmer, the value of their supplies of which is dependent on the ERC and mill-door prices. This makes the accounting for the cost of sales complex due to key components used in coming up with the value of farmer's cane delivery.	• We tested the completeness of the accrued cane cost at the end of the year to determine that the correct cost has been accounted for in cost of sales. We tested the completeness of this cost through confirming the tonnages delivered by the farmers for the current season.
Own grown cane component • Own grown cane included in the cost of sales involves cost accumulation from the point of planting till harvest. The process of accumulating these costs is a complex exercise as there is a lot of line items to be included. After own cane is delivered to the mill, the cost accumulation process will continue considering all the manufacturing cost. • Own grown cane is transferred to the mill at fair value less cost to sell (FVLCTS) plus a margin. When the mill receives this cane, it is recorded as a cost at FVLCTS. Upon the consolidation of the results of the agriculture department and the mill department, the margin element (cost in the mill and income in the agriculture department) is set-off against each other. The remaining cost to the company will be the cost accumulated in growing the cane.	**Cost accumulated in own grown cane** • For the cane cost delivered to the mill, we recalculated the cost per tonne of cane delivered by the agriculture department. • Our calculations included testing the cost accumulated per hectare and dividing the cost per hectare by the tonnes harvested per hectare. We also selected a sample and inspected that the cost met the criteria to be recognised as cost of sale. • For the cost accumulated in the mill, we selected a sample to test the occurrence of the manufacturing cost and whether these costs relate to the manufacturing process. We also tested that for own cane delivered from agriculture department to the mill, the cost to the milling department had been correctly set off against an equal amount of income in the agriculture department to confirm that the only cost remaining accounted for are the cost incurred by the agriculture department. We also tested if the reversals for the top-ups initially recognised had been recognised in the first place.

Key Audit Matter	How the matter was addressed in the audit
2. Determination of Costs of Goods Sold (Group and Company)	
Closing sugar inventory component • The determination of cost of sales figure includes closing sugar inventory. The valuation of sugar inventory is based on monthly weighted average cost (WAC) calculation. This exercise of calculating the monthly WAC is cumbersome and includes the estimation of average mill- door prices. The estimation process of the inputs to this exercise may not be subject to errors. • Due to the complexities described above, and the significance of cane purchases, the accounting treatment of cost of sales has been concluded as a key audit matter.	**Weighted average cost for closing sugar inventory** • For the closing inventory that has been deducted in determining cost of sales, we recalculated the monthly weighted average cost of the inventory and confirmed that the value was accurate. • We also confirmed that the correct mill-door prices were used in determining the weighted average cost of the closing sugar inventory. In addition, we reviewed the underlying data relating to the subsequent price changes to confirm accuracy of the Mill Door prices used in accounting for the top-ups. We tested the adjustments made by management to cost of sales and performed recalculations of the changes to confirm accuracy. • We tested the mill-door prices used by management to account for the top-up payments against the ones provided by Zimbabwe Sugar Sales to confirm that these amounts were the same.

Other Information
The directors are responsible for the other information. The other information comprises of the Chairman's Statement and Chief Executive's Review, Sustainability Report, Statement of Directors' Responsibility for Financial Reporting, Directors' Report and Audit Committee Report but does not include the Inflation Adjusted financial statements and our auditor's report thereon. Our opinion on the Inflation Adjusted consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

In connection with our audit of the Inflation Adjusted consolidated and separate 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Inflation adjusted Financial Statements
The directors are responsible for the preparation and fair presentation of the inflation adjusted financial statements in accordance with International Financial Reporting Standards and the requirements of the Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of inflation adjusted financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the inflation adjusted 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 Group to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation adjusted Financial Statements
Our objectives are to obtain reasonable assurance about whether the inflation adjusted 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 based on these inflations adjusted financial statements.

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

- Identify and assess the risks of material misstatement of the inflation adjusted financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is enough 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 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 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 inflation adjusted 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 inflation adjusted financial statements, including the disclosures, and whether the inflation adjusted 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 and separate inflation adjusted 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, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the inflation adjusted 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 engagement resulting in this independent auditor's report on the inflation adjusted consolidated and separate financial information is Mr David Marange (PAAB Practicing Certificate Number 436).

Ernst & Young
Chartered Accountants (Zimbabwe)
Registered Public Audit
Harare

Date 26 June 2023

Consolidated Statement of Financial Position

As at 31 March 2023

	Notes	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.23 ZWL'000	HISTORICAL COST* Year ended 31.03.22 ZWL'000
ASSETS					
Non-current assets		**30 733 874**	**29 985 838**	**5 071 635**	**1 252 875**
Property, plant and equipment	4.3	27 532 274	27 546 062	3 598 123	979 550
Intangible assets	4.6	217 085	172 995	7 797	11 600
Investments in associate companies	5	2 924 127	2 237 794	1 417 852	258 169
Right of use asset	4.9	60 388	28 987	47 863	3 556
Current assets		**118 270 667**	**75 936 258**	**110 949 275**	**21 153 530**
Biological assets	6	55 306 063	36 437 394	55 306 063	10 765 143
Inventories	8	28 098 275	18 594 007	21 353 886	4 308 330
Trade and other receivables	7	30 027 194	18 296 546	29 450 191	5 309 452
Cash and cash equivalents		4 839 135	2 608 311	4 839 135	770 605
Total assets		**149 004 541**	**105 922 096**	**116 020 910**	**22 406 405**
EQUITY AND LIABILITIES					
Capital and reserves		**78 713 817**	**65 806 104**	**53 160 621**	**12 641 647**
Issued share capital	9.1	3 888 694	3 888 694	15 442	15 442
Other components of equity	9.3.1	(551 614)	(843 226)	1 136 947	280 425
Retained earnings		75 376 737	62 760 636	52 008 232	12 345 780
Non-current liabilities		**26 322 766**	**18 879 271**	**18 895 825**	**3 469 122**
Deferred tax liabilities	10.1	21 109 955	15 818 738	13 683 014	2 564 911
Provisions	12.1	5 128 566	2 652 458	5 128 566	783 648
Lease liability	13	84 245	9 564	84 245	2 826
Borrowings	14.1	-	398 511	-	117 737
Current liabilities		**43 967 958**	**21 236 721**	**43 964 464**	**6 295 636**
Trade and other payables	11	32 873 592	15 366 718	32 870 098	4 561 389
Leave pay provision	12.2	956 812	1 026 967	956 812	303 409
Lease liability	13	51 017	11 883	51 017	3 511
Borrowings	14.1	9 262 618	3 756 597	9 262 618	1 109 857
Current tax liability		676 975	844 042	676 975	249 366
Provisions	12.1	146 944	230 514	146 944	68 104
Total equity and liabilities		**149 004 541**	**105 922 096**	**116 020 910**	**22 406 405**

*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.

C F Dube
Chairman

A Mhere
Chief Executive Officer

T Masarakufa
Finance Director

Company Statement of Financial Position

(continued)

As at 31 March 2023

	Notes	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.23 ZWL'000	HISTORICAL COST* Year ended 31.03.22 ZWL'000
ASSETS					
Non-current assets		**28 358 369**	**28 296 667**	**3 655 501**	**996 424**
Property, plant and equipment	4.3	27 532 274	27 546 063	3 598 121	979 550
Intangible assets	4.6	217 085	172 995	7 797	11 600
Investments in associate companies		548 623	548 623	1 718	1 718
Right of use asset	4.9	60 387	28 986	47 854	3 556
Current assets		**118 270 667**	**75 936 258**	**110 949 275**	**21 153 530**
Biological assets	6	55 306 063	36 437 394	55 306 063	10 765 143
Inventories	8	28 098 275	18 594 007	21 353 886	4 308 330
Trade and other receivables	7	30 027 194	18 296 546	29 450 191	5 309 452
Cash and cash equivalents		4 839 135	2 608 311	4 839 135	770 605
Total assets		**146 629 036**	**104 232 925**	**114 604 776**	**22 149 954**
EQUITY AND LIABILITIES					
Capital and reserves		**76 575 469**	**64 235 809**	**51 981 923**	**12 420 090**
Issued capital	9.1	3 888 694	3 888 694	15 442	15 442
Other components of equity	9.3.2	(531 381)	(531 381)	50 794	50 794
Retained earnings		73 218 156	60 878 496	51 915 687	12 353 854
Non-current liabilities		**26 085 609**	**18 760 395**	**18 658 389**	**3 434 228**
Deferred tax liabilities	10.2	20 872 798	15 699 862	13 445 578	2 530 017
Provisions	12.1	5 128 566	2 652 458	5 128 566	783 648
Lease liability	13	84 245	9 564	84 245	2 826
Borrowings	14.1	-	398 511	-	117 737
Current liabilities		**43 967 958**	**21 236 721**	**43 964 464**	**6 295 636**
Trade and other payables	11	32 873 592	15 366 718	32 870 098	4 561 389
Leave pay provision	12.2	956 812	1 026 967	956 812	303 409
Borrowings	14.1	9 262 618	3 756 597	9 262 618	1 109 857
Current tax liability		676 975	844 042	676 975	249 366
Lease Liability	13	51 017	11 883	51 017	3 511
Provisions	12.1	146 944	230 514	146 944	68 104
Total equity and liabilities		**146 629 036**	**104 232 925**	**114 604 776**	**22 149 954**

* 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.

C F Dube
Chairman

A Mhere
Chief Executive Officer

T Masarakufa
Finance Director

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2023

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Revenue	25	139 261 526	101 907 441	100 578 926	22 676 207
Cost of sales	15	(84 521 277)	(67 403 809)	(51 649 077)	(13 550 523)
Gross profit		**54 740 249**	**34 503 632**	**48 929 849**	**9 125 684**
Marketing and selling expenses	15	(13 729 455)	(10 781 053)	(10 126 216)	(2 327 903)
Administrative and other expenses	15	(32 904 921)	(18 009 083)	(26 361 850)	(3 974 317)
Expected credit losses	7	(1 209 100)	(228 666)	(1 209 100)	(67 558)
Fair value adjustment on biological assets	6	18 868 669	14 245 224	44 540 920	6 968 568
Other operating income/(expenses)	15	129 480	1 445 942	(580 548)	262 248
Operating profit	**15**	**25 894 922**	**21 175 996**	**55 193 055**	**9 986 722**
Net Monetary (loss)/Gain		(3 779 692)	651 203	-	-
Net finance income / (charges)	16	3 222 055	(885 728)	2 544 098	17 560
Finance income		10 661 994	2 184 798	7 678 452	543 072
Finance cost		(7 439 939)	(3 070 526)	(5 134 354)	(525 512)
		25 337 285	20 941 471	57 737 153	10 004 282
Share of associate companies' profit after tax	20.1	547 343	407 910	421 591	89 521
Profit before tax		**25 884 628**	**21 349 381**	**58 158 744**	**10 093 803**
Income tax expense	17.1	(8 662 871)	(7 491 166)	(15 356 490)	(2 674 111)
Profit for the year		**17 221 757**	**13 858 215**	**42 802 254**	**7 419 692**
Other comprehensive loss		(3 885 068)	(972 897)	(1 913 697)	(122 424)
Items that may be reclassified subsequently to profit or loss					
- Exchange gain/(loss) on translation of equity in foreign investment		494 153	(65 702)	1 059 063	74 158
-Tax effect		(202 541)	(11 264)	(202 541)	(3 328)
Items that will not be classified subsequently to profit or loss					
- Actuarial losses on post retirement provision		(5 548 194)	(1 190 131)	(3 679 887)	(256 714)
-Tax effect		1 371 514	294 200	909 668	63 460
Total comprehensive income for the year		**13 336 689**	**12 885 318**	**40 888 557**	**7 297 268**
Basic and diluted earnings per share (ZWL cents)	18.1	8 922	7 180	22 175	3 844
Headline earnings per share (ZWL cents)	18.1	8 930	7 187	22 181	3 835

* 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

(continued)

For the year ended 31 March 2023

	Notes	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.23 ZWL'000	HISTORICAL COST* Year ended 31.03.22 ZWL'000
Revenue	25	139 261 526	101 907 441	100 578 926	22 676 207
Cost of sales	15	(84 521 277)	(67 403 809)	(51 649 077)	(13 550 523)
Gross profit		**54 740 249**	**34 503 632**	**48 929 849**	**9 125 684**
Marketing and selling expenses	15	(13 729 455)	(10 781 053)	(10 126 216)	(2 327 903)
Administrative and other expenses	15	(32 904 922)	(18 009 083)	(26 361 850)	(3 974 317)
Expected credit losses	7	(1 209 100)	(228 666)	(1 209 100)	(67 558)
Fair value adjustment on biological assets	6	18 868 669	14 245 224	44 540 920	6 968 568
Other operating income/(expenses)	15	129 480	1 445 942	(580 548)	262 248
Operating profit		**25 894 922**	**21 175 996**	**55 193 055**	**9 986 722**
Dividends received		355 164	540 436	320 971	105 032
Net monetary (loss)		(3 863 953)	(167 857)	-	-
Net finance income / (charges)	16	3 222 055	(885 728)	2 544 098	17 560
Finance Income		10 661 994	2 184 798	7 678 452	543 072
Finance costs		(7 439 939)	(3 070 526)	(5 134 354)	(525 512)
Profit before tax		**25 608 188**	**20 662 847**	**58 058 124**	**10 109 314**
Income tax expense	17.1	(8 662 871)	(7 491 166)	(15 356 490)	(2 674 111)
Profit for the year		**16 945 317**	**13 171 681**	**42 701 634**	**7 435 203**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Actuarial loss on post retirement provision		(5 548 194)	(1 190 131)	(3 355 469)	(256 714)
- Tax effect		1 371 514	294 200	585 250	63 460
Total comprehensive income for the year		**12 768 636**	**12 275 750**	**39 931 415**	**7 241 949**
Basic and diluted earnings per share (ZWL cents)	18.2	8 779	6 824	22 123	3 852
Headline earnings per share (ZWL cents)	18.2	8 787	6 831	22 129	3 843

* 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.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2023

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 2021	**3 888 694**	**(766 260)**	**51 803 038**	**54 925 472**
Total comprehensive income for the year	-	(76 966)	12 962 285	12 885 319
Profit for the year	-	-	13 858 215	13 858 215
Other comprehensive income / (loss) for the year	-	(76 966)	(895 930)	(972 896)
Dividend (note 19)	-	-	(2 063 216)	(2 063 216)
Share based payment	-	-	58 529	58 529
Balance at 31 March 2022	**3 888 694**	**(843 226)**	**62 760 636**	**65 806 104**
Total comprehensive (loss) / income for the year	-	291 612	13 045 077	13 336 689
Profit for the year	-	-	17 221 757	17 221 757
Other comprehensive loss for the year	-	291 612	(4 176 680)	(3 885 068)
Share based payment	-	-	30 587	30 587
Dividend (note 19)	-	-	(459 563)	(459 563)
Balance at 31 March 2023	**3 888 694**	**(551 614)**	**75 736 737**	**78 713 817**

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 2021	**15 442**	**209 594**	**5 549 858**	**5 774 894**
Total comprehensive income for the year	-	70 831	7 226 438	7 297 269
Profit for the year	-	-	7 419 692	7 419 692
Other comprehensive income/(loss) for the year	-	70 831	(193 254)	(122 423)
Dividend (note 19)	-	-	(447 808)	(447 808)
Share based payment	-	-	17 292	17 292
Balance at 31 March 2022	**15 442**	**280 425**	**12 345 780**	**12 641 647**
Total comprehensive income for the year	-	856 522	40 032 035	40 888 557
Profit for the year	-	-	42 802 254	42 802 254
Other comprehensive income/(loss) for the year	-	856 522	(2 770 219)	(1 913 697)
Dividend (note 19)	-	-	(393 688)	(393 688)
Share based payment	-	-	24 105	24 105
Balance at 31 March 2023	**15 442**	**1 136 947**	**52 008 232**	**53 160 621**

* 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

(continued)

For the year ended 31 March 2023

INFLATION ADJUSTED

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2021	**3 888 694**	**(531 381)**	**50 607 432**	**53 964 745**
Comprehensive income for the year	-	-	12 275 750	12 275 750
Profit for the year	-	-	13 171 681	13 171 681
Other comprehensive loss	-	-	(895 931)	(895 931)
Dividend (note 19)	-	-	(2 063 216)	(2 063 216)
Share based payment expense	-	-	58 529	58 529
Balance at 31 March 2022 (Restated)	**3 888 694**	**(531 381)**	**60 878 495**	**64 235 808**
Comprehensive income for the year	-	-	12 768 637	12 768 637
Profit for the year	-	-	16 945 317	16 945 317
Other comprehensive loss	-	-	(4 176 680)	(4 176 680)
Dividend (note 19)	-	-	(459 563)	(459 563)
Share based payment	-	-	30 587	30 587
Balance at 31 March 2023	**3 888 694**	**(531 381)**	**73 218 156**	**76 575 469**

HISTORICAL COST*

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2021	**15 442**	**50 794**	**5 542 423**	**5 608 659**
Comprehensive income for the year	-	-	7 241 949	7 241 949
Profit for the year	-	-	7 435 203	7 435 203
Other comprehensive loss	-	-	(193 254)	(193 254)
Dividend (note 19)	-	-	(447 808)	(447 808)
Share based payment expense	-	-	17 292	17 292
Balance at 31 March 2022 (Restated)	**15 442**	**50 794**	**12 353 856**	**12 420 092**
Comprehensive income for the year	-	-	39 931 415	39 931 415
Profit for the year	-	-	42 701 634	42 701 634
Other comprehensive loss	-	-	(2 770 219)	(2 770 219)
Dividend (note 19)	-	-	(393 688)	(393 688)
Share based payment expense	-	-	24 105	24 105
Balance at 31 March 2023	**15 442**	**50 794**	**51 915 688**	**51 981 924**

* 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.

Consolidated Statement of Cash Flows

For the year ended 31 March 2023

	Notes	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.23 ZWL'000	HISTORICAL COST* Year ended 31.03.22 ZWL'000
Cash flows from operating activities					
Cash generated from operations^	20.1	14 836 094	11 990 714	13 540 938	3 170 804
Changes in working capital^	20.1.1	(16 369 286)	(12 624 892)	(15 018 422)	(2 749 355)
Net cash generated from operations		**(1 533 192)**	**(634 178)**	**(1 477 484)**	**421 449**
Net finance income received		2 820 996	1 505 869	2 385 836	402 520
Interest paid		(1 989 176)	(751 960)	(1 507 371)	(162 128)
Interest received		4 810 172	2 257 829	3 893 207	564 648
Tax paid		(4 678 637)	(4 181 176)	(3 103 145)	(901 895)
Net cash outflow from operating activities		**(3 390 833)**	**(3 309 485)**	**(2 194 793)**	**(77 926)**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		(3 396 941)	(2 900 005)	(2 719 018)	(654 726)
- Other property, plant, equipment and intangible assets		(1 579 417)	(1 842 857)	(1 341 143)	(425 820)
- Cane roots		(1 817 524)	(1 057 148)	(1 377 875)	(228 906)
Proceeds on disposal of property, plant and equipment	20.3	-	73 859	-	18 210
Dividends received from associated companies	20.2	355 164	540 436	320 971	105 032
Net cash outflow from investing activities		**(3 041 777)**	**(2 285 710)**	**(2 398 047)**	**(531 484)**
Net cash inflow / (outflow) before financing activities		**(6 432 610)**	**(5 595 195)**	**(4 592 841)**	**(609 410)**
Cash flows from financing activities					
Proceeds from borrowings		15 765 366	13 185 521	10 456 513	2 844 165
Repayment of borrowings		(10 999 914)	(8 209 665)	(7 295 786)	(1 770 854)
Dividends paid	19	(459 563)	(2 063 216)	(393 688)	(447 808)
Lease paid		(40 019)	(15 381)	(23 688)	(2 108)
Net cash inflow from financing activities		**4 265 870**	**2 897 259**	**2 743 351**	**623 395**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		2 608 311	5 177 456	770 606	885 745
Net cash outflow from operating activities		(3 390 833)	(3 309 485)	(2 194 793)	(77 926)
Net cash outflow from investing activities		(3 041 777)	(2 285 710)	(2 398 047)	(531 484)
Net cash inflow from financing activities		4 265 870	2 897 259	2 743 351	623 395
Inflation effects on cash and cash equivalents		(3 526 336)	750 271	-	-
Net foreign exchange difference		7 923 900	(621 480)	5 918 019	(129 125)
Cash and cash equivalents at end of year		**4 839 135**	**2 608 311**	**4 839 135**	**770 605**
Consisting of:		**4 839 135**	**2 608 311**	**4 839 135**	**770 605**
Cash at bank		4 834 856	2 605 713	4 834 856	769 837
Cash on hand		4 279	2 598	4 279	768

* 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.

^ Part of exchange gains/losses which were previously classified under cash generated from operations have now been correctly presented under changes in working capital. This has no impact on previously reported net cash generated from operations.

Company Statement of Cash Flows

For the year ended 31 March 2023

	Notes	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.23 ZWL'000	HISTORICAL COST* Year ended 31.03.22 ZWL'000
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Significant Accounting Policies to the Consolidated and Separate Financial Statements

1. Statement of compliance and basis of preparation

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).

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) and in a manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31) (COBE). 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 4). 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 and Company use 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;
- **Level 2 inputs** are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly are used in the valuation of livestock; and
- **Level 3 inputs** are unobservable inputs for the asset or liability, applied on the valuation of standing cane and fruit orchards

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

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

2. Basis of consolidation

The consolidated financial statements comprise the financial statements of the Company and its subsidiaries, associates and joint operations as at 31 March 2023. Control is achieved when the Group is, exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if, and only if, the Group has:

- Power over the investee (i.e., existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee
- The ability to use its power over the investee to affect its returns Generally, there is a presumption that a majority of voting rights results in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:
- The contractual arrangement(s) with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights

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

Profit or loss and each component of Other Comprehensive Income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies in line with the Group and Company 's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction.

If the Group loses control over a subsidiary, it derecognises the related assets (including goodwill), liabilities, non-controlling interest and other components of equity, while any resultant gain or loss is recognised in profit or loss. Any investment retained is recognised at fair value.

In the separate financial statements, investments are accounted for at cost.

3. Functional currency

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

4. Financial Reporting in Hyperinflationary Economies

On 11 October 2019, the Public Accountants and Auditors Board of Zimbabwe classified Zimbabwe as a hyperinflationary economy in accordance with the provisions of IAS 29 Financial Reporting in Hyperinflationary Economies ('IAS 29'), applicable to entities operating in Zimbabwe with financial periods ending on or after 1 July 2019. Hyperinflationary accounting has therefore been applied by the Group and Company for the year ended 31 March 2023 and prior year.

The Group and Company concur with this classification, supported by the following factors: In the financial year to March 2023, annual inflation rate increased significantly to 238.5 %. (2022: 72%). There was significant deterioration in the interbank Zimbabwe Dollar (ZWL) exchange rate during the period. Trading commenced at an interbank rate of ZWL142.42 to US$1 as at 1 April 2022 and weakened to a rate of ZWL929.86 to US$1 at 31 March 2023. 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 and Company have 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 restated 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 and Company's financial results are expressed in terms of the general price index at the end of the reporting period. The Group and Company adopted the Zimbabwe consumer price index (CPI) as the general price index (GPI) to restate transactions and balances as appropriate. However, due to the economy being multi-currency, in 2020 Zimbabwe National Statistical Agency (ZIMSTAT) began issuing two CPIs, that is a CPI for ZWL only and a blended CPI for both ZWL and USD. As a result, on 3 March 2023, the government of Zimbabwe gazetted SI 27 of 2023 which is cited as the Census and Statistics (General) Notice, 2023, which revised the definition of inflation to ""rate of inflation" means the general increase in price levels of goods and services measured as a weighted average based on the use of Zimbabwean dollars and United States dollars over a given period of time". For the purposes of financial reporting, an assessment was conducted by the Group and Company to determine which of the two CPIs was appropriate for IAS 29 computations. The conclusion reached was that, the Blended CPI is not in compliance with the International Financial Reporting Standards (IFRS), that is International Accounting Standard 29 (IAS 29) due to the inclusion of the USD which is not a currency of a hyperinflationary economy.

The resultant effect of this SI was that, ZIMSTAT ceased the release of pure ZWL Inflation and CPI figures, with last release being for January 2023. ZIMSTAT is now only releasing a blended CPI being a weighted average CPI for

both USD and ZWL blended figures. Hippo Valley Estates Limited has a March year end and the need arose to estimate a GPI to use for IAS 29 reporting. The selection of a GPI for hyperinflation accounting is provided for on IAS 29 paragraph 37. The standard states that, "the restatement of financial statements requires the use of a general price index that reflects changes in general purchasing power". This means that any instrument that tracks the general purchasing power of a currency within an economy may be used as a GPI for IAS 29. In Zimbabwe, the most common instruments that were used to track the purchasing power of the ZWL were:
(a) the ZWL CPI.
(b) the ZWL : USD exchange rate.

IAS 29 par 17 provides further guidance in circumstances where a general price index does not exist. The standard reads , "A general price index may not be available, and in such circumstances, the inflation rate may be estimated by considering the depreciation of the exchange rate of the hyperinflationary currency against a relatively stable foreign currency". Consequently, the inflation rate was estimated as per the provisions of IAS 29 using published interbank rates between the USD and the ZWL.

The conversion factors used to restate the consolidated and separate financial statements for the year ended 31 March 2023 are as follows;

Date	**General Price Index**	**Conversion factor**
31 March 2021	2 759.83	5.845
31 March 2022	4 766.10	3.385
31 March 2023	16 132.08	1.000
Average CPI for 12 months to:		
31 March 2021	2 083.51	
31 March 2022	3 582.86	
31 March 2023	11 860.28	

5. 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 and Company have joint operations whose details are set out in note 3 on notes to the consolidated and separate financial statements 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.

6. Investment in associates and joint ventures

An associate is an entity over which the Group and Company have significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee, but is not control or joint control over those policies.

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

The considerations made in determining significant influence or joint control are similar to those necessary to determine control over subsidiaries. The Group's investments in its associate and joint venture are accounted for using the equity method. In separate financial statements for the Company, investments are accounted for at cost.

Under the equity method, the investment in an associate or a joint venture is initially recognised at cost.

The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the associate or joint venture since the acquisition date. Goodwill relating to the associate or joint venture is included in the carrying amount of the investment and is not tested for impairment separately.

The statement of profit or loss and other comprehensive income reflects the Group's share of the results of operations of the associate or joint venture. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there has been a change recognised directly in the equity of the associate or joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the associate or joint venture are eliminated to the extent of the interest in the associate or joint venture.

The aggregate of the Group's share of profit or loss of an associate and a joint venture is shown on the face of the statement of profit or loss and other comprehensive income outside operating profit and represents profit or loss after tax and non-controlling interests in the subsidiaries of the associate or joint venture.

The financial statements of the associate or joint venture are prepared for the same reporting period as the Group and Company. When necessary, adjustments are made to bring the accounting policies in line with those of the

Group and Company. After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its associate or joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the associate or joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the associate or joint venture and its carrying value, and then recognises the loss within 'Share of profit of an associate and a joint venture' in the statement of profit or loss and other comprehensive income.

Upon loss of significant influence over the associate or joint control over the joint venture, the Group and Company measure and recognises any retained investment at its fair value. Any difference between the carrying amount of the associate or joint venture upon loss of significant influence or joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

7. Financial instruments

Financial assets and financial liabilities are recognised on the statement of financial position when the Group and Company become 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.

7.1 Financial assets

7.1.1 Financial assets at amortised cost and the effective interest method

The financial assets of the Group and Company 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 7.1.3), with interest revenue recognised on an effective yield basis in interest received.

Subsequent to initial recognition, the Group and Company are 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 and Company 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.

7.1.2 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 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.

7.1.3 Impairment of financial assets

The Group and Company applies a simplified approach in calculating expected credit losses. Therefore, the Group does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date.

The Group and Company 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 and Company'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.

(i) Definition of default

The Group and Company consider 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 and Company, in full (without taking into account any collateral held by the Group and Company).

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

(ii) Write off policy

The Group and Company write 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 and Company's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

(iii) Measurement and recognition of expected credit losses

The provision rates are based on days past due for groupings of various customer segments that have similar loss patterns (i.e., by geography, product type, customer type and rating, and coverage by letters of credit and other forms of credit insurance).
The provision matrix is initially based on the Group and Company's historical observed default rates. The Group will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions are expected to deteriorate over the next year which can lead to an increased number of defaults in the agro-manufacturing sector, the historical default rates are adjusted. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Group and Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

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

The Group and Company recognise 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.

7.1.4 Derecognition of financial assets

The Group and Company derecognize 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 and Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group and Company recognise its liability for amounts it may have to pay. If the Group and Company retain substantially all the risks and rewards of ownership of a transferred financial asset, the Group and Company continue to recognise the financial asset and also recognizes a collateralised borrowing for the proceeds received.

7.2 Financial liabilities and equity instruments issued by the Group and Company

7.2.1 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 liabilities. Equity instruments issued by the Group and Company are recognised at the proceeds received, net of direct issue costs.

7.2.2 Financial liabilities

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

7.2.3 Foreign exchange gains and losses

Financial liabilities denominated in a foreign currency are translated at the spot rate at the end of the reporting period. 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 in the statement of profit or loss and other comprehensive income.

7.2.4 Derecognition of financial liabilities

The Group and Company derecognise financial liabilities when, and only when, the Group and Company'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.

8. Revenue recognition

Revenue represents the net proceeds after VAT in respect of the Group and Company'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 and Company expect to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties.

8.1 Sale of goods

The Group and Company apply 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 and Company follow 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 and Company 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.

8.2 Dividend and interest income

Dividend income from investments is recognized when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the Group and Company, 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 Company 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.

9. Leasing

9.1 The Group as lessee

The Group and Company assess whether a contract is or contains a lease, at inception of the contract. The Group and Company recognise 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 and Company recognise 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 and Company use 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 and separate 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 and Company re-measure the lease liability (and makes a corresponding adjustment to the related right-of-use asset) whenever the lease term has changed or there is a significant event or change in circumstances resulting in a change in the assessment of exercise of a purchase option, in which case the lease liability is remeasured by discounting the revised lease payments using a revised discount rate. The lease payments change due to changes in an index or rate or a change in expected payment under a guaranteed residual value, in which cases the lease liability is remeasured by discounting the revised lease payments using an unchanged discount rate (unless the lease payments change is due to a change in a floating interest rate, in which case a revised discount rate is used). A lease contract is modified and the lease modification is not accounted for as a separate lease, in which case the lease liability is remeasured based on the lease term of the modified lease by discounting the revised lease payments using a revised discount rate at the effective date of the modification. The Group and Company 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 and Company incur an obligation for costs to dismantle and remove a leased asset, restore the site on which it is located or restore the underlying asset to the condition required by the terms and conditions of the lease, a provision is recognised and measured under IAS 37. To the extent that the costs relate to a right-of-use asset, the costs are included in the related right-of-use asset, unless those costs are incurred to produce inventories.

Right-of-use assets are depreciated over the shorter period of lease term and useful life of the underlying asset. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The depreciation starts at the commencement date of the lease. The right-of-use assets are presented as a separate line in the consolidated and separate statement of financial position. The Group and Company apply 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 and Company have not used this practical expedient. For a contracts that contain a lease component and one or more additional lease or non-lease components, the Group and Company allocate 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.

10. Property, plant, equipment and intangible assets

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

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

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

10.3 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 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.

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

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

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

10.6 Intangible Assets

Intangible assets are measured initially at cost. Interest and other costs incurred on major projects are capitalised until all the activities necessary to prepare assets for their intended use are substantially complete. After initial recognition, an intangible asset is measured at cost less accumulated amortisation and impairment losses. 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.

11. Impairment of tangible and intangible assets

At the end of each reporting period, the Group and Company review 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 and Company estimate 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 profit or loss and 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 profit or loss and other comprehensive income. This impairment test carried out in the current year showed that no assets had suffered impairment, (2022: nil).

12. 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; 2022 nil.

13. Inventories

13.1 Stores

Stores inventory is valued at the lower of weighted average cost and net realisable value (NRV). Initially the consumable stock is initially recognised and measured at cost. 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. Write downs to net realisable value and inventory losses are expensed in the period in which they occur. Obsolete and slow-moving inventories are identified and written down to their estimated economic or realisable value.

13.2 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. The cost estimation technique employed for the financial reporting period ended 31 March 2023 and 31 March 2022 made use of weighted averages of inventory over a one-month period and not over the entire year. NRV represents the estimated selling price less all estimated costs of completion and costs to be incurred in marketing, selling and distribution. An annual assessment is carried out for purposes of write downs in the statement of profit or loss and other comprehensive income.

13.3 Cost of sales

The cost of sales comprises of raw materials, purchases and consumables used, other direct production and handling costs incurred and the cost of rendering services.

14. Taxation

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

14.1 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 and separate statement of profit or loss and other comprehensive income because of items of income or expenses that are taxable or deductible in other years and items that are not taxable or deductible. The Group and Company's current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

The net monetary gain or loss recognised in the inflation-adjusted statement of profit or loss and other comprehensive income account is treated as a permanent difference for income tax purposes.

14.2 Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the consolidated and separate 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 and Company are 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 and Company expect, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

14.3 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.

15. 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.

16. Employee benefits

16.1 Retirement benefits

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

16.2 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 and Company in respect of services provided by employees up to the reporting date.

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

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

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

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

18. 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.

18.1 Growing crops

Growing crops comprise standing cane and fruit orchards. The carrying value is determined as follows (see note 6):

- standing cane at the estimated cane price and sucrose content less harvesting, transport and over the weigh-bridge 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 average borrowing cost which was 75% (2022:40%) at current year end.

18.2 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 and Company does not recognize game animals as a biological asset see note 6.

18.3 Agricultural produce

Agricultural produce comprises the harvested product of the Group and Company'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 and Company's agricultural produce is charged to production costs at fair value.

18.4 Changes in the fair value of biological assets

Changes in the fair value of biological assets are recognized in the Statement of Profit or Loss 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 6.2 below. The Group and Company have provided an analysis of the change in the fair value of biological assets as encouraged by IAS 41 in note 6 to the consolidated and separate financial statements.

19. Provisions

Provisions are recognised when the Group and Company have a present obligation (legal or constructive) as a result of a past event, it is probable that the Group and Company 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.

19.1 Onerous contracts

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

The Group and Company did not have onerous contracts during the year under review.

20. Critical accounting judgements and key sources of estimation uncertainty

In the application of the Group and Company's Accounting policies, which are described above, the directors of the Group and 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.

Interest in Joint Operations

Hippo Valley Estates Limited owns 50% shareholding in the ordinary shares of Zimbabwe Sugar Sales (Private) Limited (ZSS), alongside Triangle Limited. In determining whether ZSS is a Joint Arrangement, the Group and Company ascertained the below and as guided by IFRS 11;

- there is a contractual agreement specifying the two as shareholders;
- relevant activities that require unanimous decisions were identified as, pricing of sugar, budget approval and sale of sugar to customers.

In view of the above it was determined that ZSS is in a Joint Arrangement. It was also determined that ZSS is a Joint Operation mainly due to it having been incorporated for the sole purpose of providing a marketing and distribution service to the parties to the arrangement. In addition, other facts and circumstances that lead to rights to assets and obligations for liabilities being conferred to the parties were considered e.g. rights over cash, trade receivables and inventory, that both parties have.

Furthermore, it was determined in accordance to IFRS 15, that ZSS acts as an agent as it does not have control of the sugar it sells on behalf of its principals before it is transferred to the customers.

20.1 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 is 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 and separate financial statements.

20.2 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. 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 6.

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.

20.3 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.

20.4 Livestock

Livestock is measured at their fair value. In determining the fair value reference is made to the current market values provided by expert valuers to a related company.

20.5 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 programms.

Residual value assessments consider issues such as market conditions, the remaining life of the asset and projected disposal values.

20.6 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 and Company 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 and separate financial statements.

20.7 Post-retirement contribution plan obligations

Post-retirement contribution plan 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.

20.8 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.

20.9 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 and Company'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 and other comprehensive income in the financial period in which the costs are incurred.

20.10 Game & wildlife

The Group and Company have a total of 14 158 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.

20.11. Inventory valuation

Inventory sugar is valued at the lower of cost or NRV. Included as a key input in the valuation process are the cane costs. Cane is obtained from both that which is grown by the Company (Miller cum plant) and from that grown by third party out-growers. Third party out-growers (farmers) are paid amounts for the sugar cane delivered throughout the year/season. The final amounts paid to farmers at the end of the season are determined based on sugar selling prices and costs for the full season (mill door prices) as determined by Zimbabwe Sugar Sales. However, at the time inventory is recognised from the beginning of the season, such final amounts would not have been determined making the valuation process complex specifically on how the variable payments should be accounted for. International Accounting Standard (IAS) 2 - Inventories, which addresses matters to do with inventory is silent on this scenario. Following considerations of other accounting literature and industry practice, management has determined such variable payments made to the farmers to be recognised as part of its inventory. As a result, such inventory to the extent that it relates to cane from farmers takes these variable payments into account as part of the weighted average cost computation. While inventory to the extent it relates to cane grown by the Company is accounted for at fair value less point of sale costs on initial recognition (after harvesting), with subsequent costs incurred capitalised as they are incurred in terms of IAS2. In addition to cane related costs, inventory valuation also includes production costs which are mainly milling costs (including labour) the cost estimation technique for measurement of inventory is based on a monthly weighted moving average method.

20.12 Revenue Recognition

Revenue is recognised in accordance with IFRS 15: Revenue from contracts with customers, 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. The Group and Company receive cane milled to produce the final product of sugar from third party out-growers (farmers) and from that which it grows on its own (Miller cup plant). In determining whether the Company should recognise the revenue of sale of sugar on a gross basis, it considered principles outlined in IFRS15 in order to establish if it acts as principal in the sugar cane milling agreement. In terms of acting as principal, IFRS 15 requires an entity to obtain control of the specified good or service before it is transferred to the end consumer. As part of the key concepts considered in this, it was established that while farmers do have some say in relation to the decision making of ZSS (being the entity that manages the sale of milled sugar), management is of the view that the Company has the ability to direct the use of the milled sugar. Additional indicators as outlined in IFRS 15, including the ability to exercise pricing discretion and the responsibility for fulfilling the promise to supply the sugar to customers, also further identified the Company as principal. As a result, management concluded for revenue to be recognized on a gross basis.

20.13 Estimated Consumer Price Indices (CPI): disclosure requirements for other major sources of estimation uncertainty

Given the absence of the ZWL Consumer Price Index (CPI) following the promulgation of Statutory Instrument 27 of 2023 on 3 March 2023, the Group and Company estimated the General Price Index (GPI) for February and March 2023 by using the depreciation between Zimbabwean Dollar and United States Dollar. This is an area of significant estimation uncertainty. The application of the exchange rate technique is a source of estimation uncertainty. Directors applied the estimated GPI to hyperinflate all financial statement line items. The assumption is that the exchange rate method is more prudent and reflective of real inflation in Zimbabwe. Below is an illustration of how the February and March indices were estimated.

28 February 2023 CPI:		
Description	**Month**	**Inflation Index**
Exchange rate	31-Jan-23	796.52
Exchange rate	28-Feb-23	889.13
Depreciation rate		11.70%
ZWL CPI (last published)	Jan-23	13,819.67
Applying the Exchange rate index factor		1.117
CPI	Feb-23	**15,426.47**

31 march 2023 CPI:		
Description	**Month**	**Inflation Index**
Exchange rate	28-Feb-23	889.13
Exchange rate	31-Mar-23	929.80
Depreciation rate		4.57%
ZWL CPI (last estimation)	Feb-23	15,426.47
Applying the Exchange rate index factor		1.046
CPI	Mar-23	**16,132.10**

20.14 Provision for decommissioning costs

The main resources of the Group and Company 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 and Company 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 and Company'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.

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

21.1 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.

21.2 Prior period errors

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

21.3 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand. For the purpose of the consolidated and separate statement of cash flows, cash and cash equivalents consist of cash at bank and on hand, as defined above. The Group and Company attribute the effect of inflation on operating, investing and financing cash flows to the underlying item and presents the monetary gain or loss on cash and cash equivalents separately.

Notes to the Consolidated and Separate Financial Statements

1. **Country of incorporation and main activities**

Hippo Valley Estates Limited (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 and Company 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 amended standards and interpretations

The Group and Company applied for the first time certain standards and amendments, which are effective for annual periods beginning on or after 1 January 2022 (unless otherwise stated). The Group and Company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective. There are no any other new standards, amendments and interpretations effective in current year that are applicable to the Group and Company except for the ones disclosed below.

2.1.1 IAS 41 Agriculture : Amendments to taxation in fair value measurements	The amendment removes the requirement in IAS 41 for entities to exclude cash flows for taxation when measuring fair value. This aligns the fair value measurement in IAS 41 with the requirements of IFRS 13 Fair Value Measurement to use internally consistent cash flows and discount rates and enables preparers to determine whether to use pre-tax or post- tax cash flows and discount rates for the most appropriate fair value measurement. The amendment is applied prospectively, i.e. for fair value measurements on or after the date an entity initially applies the amendment. This amendment had no impact on the consolidated and separate financial statements.
2.1.2 IFRS Standards : Amendments to References to the Conceptual Framework	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, IAS 1, IAS 8, IAS 34, IAS 37 and IAS 38. This amendment had no impact on the consolidated and separate financial statements.

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

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced before that asset is available for use, i.e. proceeds while bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Consequently, an entity recognises such sales proceeds and related costs in profit or loss. The entity measures the cost of those items in accordance with IAS 2 Inventories. The amendments also clarify the meaning of 'testing whether an asset is functioning properly'. IAS 16 now specifies this as assessing whether the technical and physical performance of the asset is such that it is capable of being used in the production or supply of goods or services, for rental to others, or for administrative purposes. If not presented separately in the statement of comprehensive income, the financial statements shall disclose the amounts of proceeds and cost included in profit or loss that relate to items produced that are not an output of the entity's ordinary activities, and which line item(s) in the statement of comprehensive income include(s) such proceeds and cost. This amendment had no impact on the consolidated and separate financial statements.

2.1.4 IAS 37 Onerous Contracts: Amendments to Cost of Fulfilling a Contract

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract consist of both the incremental costs of fulfilling that contract (examples would be direct labour or materials) and an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract). The amendments apply to contracts for which the entity has not yet fulfilled all its obligations at the beginning of the annual reporting period in which the entity first applies the amendments. Comparatives are not restated. Instead, the entity shall recognise the cumulative effect of initially applying the amendments as an adjustment to the opening balance of retained earnings or other component of equity, as appropriate, at the date of initial application. This amendment had no impact on the consolidated and separate financial statements.

2.2 New and amendments and improvements issued but not yet effective.

Key requirements	**Impact**
2.2.1 Classication of Liabilities as Current or Non-current-Amendments to IAS 1 Effective for annual periods beginning on or after 1 January 2024	
The amendments to IAS 1 affect only the presentation of liabilities as current or non-current in the statement of financial position and not the amount or timing of recognition of any asset, liability, income or expenses, or the information disclosed about those items. The amendments clarify that the classification of liabilities as current or non-current is based on rights that are in existence at the end of the reporting period, specify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a	The Group and Company does not anticipate this change to result in a significant impact on the financial statements.

2.2 New and amendments and improvements issued but not yet effective.

Key requirements	Impact
2.2.1 Classication of Liabilities as Current or Non-current-Amendments to IAS 1 Effective for annual periods beginning on or after 1 January 2024	
settlement of a liability, explain that rights are in existence if covenants are complied with at the end of the reporting period, and introduce a definition of 'settlement' to make clear that settlement refers to the transfer to the counterparty of cash, equity instruments, other assets or services. The amendments are applied retrospectively for annual periods beginning on or after 1 January 2023, with early application permitted.	The Group and Company does not anticipate this change to result in a significant impact on the financial statements.

2.2.2 Materiality Judgment-Amendments to IAS 1 and IFRS Practice Statement 2

Effective for annual periods beginning on or after 1 January 2023	
In February 2021, the IASB Board issued amendments to IAS 1 and IFRS Practice Statement 2 Making Materiality Judgements (the PS), in which it provides guidance and examples to help entities apply materiality judgements to accounting policy disclosures. The amendments aim to help entities provide accounting policy disclosures that are more useful by: • Replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies; and • Adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures replacement of the term 'significant' with 'material' in the absence of a definition of the term 'significant' in IFRS, the Board decided to replace it with 'material' in the context of disclosing accounting policy information. 'Material' is a defined term in IFRS and is widely understood by the users of financial statements, according to the Board. In assessing the materiality of accounting policy information, entities need to consider both the size of the transactions, other events or conditions and their nature. Examples of circumstances in which an entity is likely to consider accounting policy information to be material have been added. **Disclosure of standardised information** Although standardised information is less useful to users than entity-specific accounting policy information, the Board agreed that, in some circumstances, standardised accounting policy information may be needed for users to understand other material information in the financial statements. In those situations, standardised accounting policy information is material, and should be disclosed. The amendments to the PS also provide examples of situations when generic or standardised information summarising or duplicating the requirements of IFRS may be considered material accounting policy information.	The Directors anticipate that the application of this amendment may have an impact on the consolidated and separate financial statements in future periods should such transactions arise.

2.2.3 Right to defer settlement-Amendments to IAS 1

Effective for annual periods beginning on or after 1 January 2024

Key requirements	Impact
The Board decided that if an entity's right to defer settlement of a liability is subject to the entity complying with the required covenants at a date subsequent to the reporting period ("future covenants"), the entity has a right to defer settlement of the liability even if it does not comply with those covenants at the end of the reporting period. Furthermore, the Board specified that the requirements in paragraph 72B apply only to liabilities arising from loan arrangements. **Existence at the end of the reporting period** The amendments also clarify that the requirement for the right to exist at the end of the reporting period applies regardless of whether the lender tests for compliance at that date or at a later date. **Management expectations** IAS 1.75A has been added to clarify that the 'classification of a liability is unaffected by the likelihood that the entity will exercise its right to defer settlement of the liability for at least twelve months after the reporting period'. That is, management's intention to settle in the short run does not impact the classification. This applies even if settlement has occurred when the financial statements are authorized for issuance. **Meaning of the term 'settlement'** The Board added two new paragraphs (paragraphs 76A and 76B) to IAS 1 to clarify what is meant by 'settlement' of a liability. The Board concluded that it was important to link the settlement of the liability with the outflow of resources of the entity. Settlement by way of an entity's own equity instruments is considered settlement for the purpose of classification of liabilities as current or non-current, with one exception. In cases where a conversion option is classified as a liability or part of a liability, the transfer of equity instruments would constitute settlement of the liability for the purpose of classifying it as current or non-current. Only if the conversion option itself is classified as an equity instrument would settlement by way of own equity instruments be disregarded when determining whether the liability is current or non-current. Unchanged from the current standard, a rollover of a borrowing is considered the extension of an existing liability and is therefore not considered to represent 'settlement'. **Disclosures** IAS 1.76ZA has been added to require an entity to provide disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. This disclosure must include information about the covenants and the related liabilities.	The Directors of the Group and Company anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods.

2.2.4 New definition of Accounting estimates-Amendments to IAS 8
Effective for annual periods beginning on or after 1 Jnuary 2024

Key requirements	Impact
In February 2021, the Board issued amendments to IAS 8, in which it introduces a new definition of 'accounting estimates.' The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. Also, they clarify how entities use measurement techniques and inputs to develop accounting estimates.	The Directors anticipate that the application of this amendment may have an impact on the consolidated and separate financial statements in future periods should such transactions arise.

2.2.5 Sale and Lease back-Amendments to IFRS 16

Effective for annual reports begining on or after 1 january 2024

Key requirements	Impact
In September 2022, the Board issued Lease Liability in a Sale and Leaseback (Amendments to IFRS 16). The amendment to IFRS 16 specifies the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognize any amount of the gain or loss that relates to the right of use it retains. After the commencement date in a sale and leaseback transaction, the seller-lessee applies paragraphs 29 to 35 of IFRS 16 to the right-of-use asset arising from the leaseback and paragraphs 36 to 46 of IFRS 16 to the lease liability arising from the leaseback. In applying paragraphs 36 to 46, the seller lessee determines 'lease payments' or 'revised lease payments' in such a way that the seller-lessee would not recognize any amount of the gain or loss that relates to the right of use retained by the seller-lessee. Applying these requirements does not prevent the seller-lessee from recognizing, in profit or loss, any gain or loss relating to the partial or full termination of a lease, as required by paragraph 46(a) of IFRS 16. The amendment does not prescribe specific measurement requirements for lease liabilities arising from a leaseback. The initial measurement of the lease liability arising from a leaseback may result in a seller-lessee determining 'lease payments' that are different from the general definition of lease payments in Appendix A of IFRS 16. The seller-lessee will need to develop and apply an accounting policy that results in information that is relevant and reliable in accordance with IAS 8.	The Directors of the Group and Company anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods. The Group and Company does not usually enter into sale and lease back transactions. However, in the event that the Group and Company enter into such transactions, they will be immaterial.

2.2.6 Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to IAS 12

Effective for annual periods begining on or after 1 january 2023

Key requirements	Impact
Determining the tax base of assets and liabilities The amendments clarify that where payments that settle a liability are deductible for tax purposes, it is a matter of judgement (having considered the applicable tax law) whether such deductions are attributable for tax purposes to the liability recognized in the financial statements (and interest expense) or to the related asset component (and interest expense). This judgement is important in determining whether any temporary differences exist on initial recognition of the asset and liability. **Changes to the initial recognition exception** Under the amendments, the initial recognition exception does not apply to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. It only applies if the recognition of a lease asset and lease liability (or decommissioning liability and decommissioning asset component) give rise to taxable and deductible temporary differences that are not equal. Nevertheless, it is possible that the resulting deferred tax assets and liabilities are not equal (e.g., if the entity is unable to benefit from the tax deductions or if different tax rates apply to the taxable and deductible temporary differences). In such cases, which the Board expects to occur infrequently, an entity would need to account for the difference between the deferred tax asset and liability in profit or loss.	The Directors of the Group and Company anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods.

2.2.7 IFRS S1 General Requirements for Disclosure of Sustainability-Related Financial Information

Key requirements	Impact
The objective of this standard, also referred to as the General Requirements Exposure Draft (or S1), is to require an entity to provide all material information about its exposure to significant sustainability-related risks and opportunities. The core content of S1 is based on four pillars, consistent with the TFCD recommendations: • Governance • Strategy • Risk Management • Metrics and Targets The exposure draft also contains some general features, which are mostly adapted from IAS 1 and IAS 8.	The disclosures are currently not mandatory and have no impact on the consolidated and separate financial statements.

2.2.8 IFRS S2 Climate-related Disclosures

Key requirements	Impact
There is no single explicit standard on climate-related matters under IFRS, climate risk and other climate-related matters may impact a number of areas of accounting. While the immediate impact to the financial statements may not necessarily be quantitatively significant, there are increasing expectations from stakeholders that entities explain how climate-related matters are considered in preparing their financial statements to the extent they are material from a qualitative perspective. Stakeholders also expect robust disclosures on the most significant assumptions, estimates and judgements made related to climate change.	The disclosures are currently not mandatory and have no impact on the consolidated and separate financial statements.

3. Interest in Consortia

3.1 Mkwasine Estates

The Group and Company 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. Management made Mkwasine a dormant joint operation since the beginning of financial year ended 31 March 2023, while the provision of administrative services to sugar cane farmers at Mkwasine continues through the Group and Company. 50% of the assets and liabilities of the consortium at 31 March 2023 were included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Current assets	**-**	**76 974**	**-**	**16 629**
Inventories*	-	76 649	-	16 533
Cash and cash equivalents	-	325	-	96
Total assets	**-**	**76 974**	**-**	**16 629**
Current liabilities	**-**	**(1 712 025)**	**-**	**(505 805)**
Trade and other payables	-	(1 712 025)	-	(505 805)
Net liabilities	**-**	**(1 635 051)**	**-**	**(489 176)**

*Inventory for prior year was hyper inflated by an incorrect factor and this has now been corrected. This has no impact on the numbers reported on the face of financial statements.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	**Year ended 31.03.22 ZWL'000**	**Year ended 31.03.23 ZWL'000**	**Year ended 31.03.22 ZWL'000**
Cost of sales	-	(296 332)	-	(58 903)

3. Interest in Consortia (continued)

3.2 Zimbabwe Sugar Sales (Private) Limited

The Group and Company has a 50% interest in Zimbabwe Sugar Sales (Private) Limited (ZSS) whose year end is 31 March. The Company is incorporated in Zimbabwe. ZSS acts as a broker to the sugar millers, and all income and expenditure is for the millers' account. 50% of the assets and liabilities other than inventories, accounts receivable, cash and accounts payable which are included in proportion to sugar produced by each miller at 31 March 2023 are included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Non-current assets	**1 399 684**	**735 099**	**96 961**	**10 108**
Property, plant and equipment	991 220	674 044	50 763	9 312
Right-of-use asset	408 464	61 055	46 198	796
Current assets	**2 234 992**	**2 957 047**	**2 212 726**	**865 170**
Inventories	92 762	132 816	70 496	30 774
Accounts receivable	1 210 492	2 273 453	1 210 492	671 674
Cash and cash equivalents	931 738	550 773	931 738	162 722
Total assets	**3 634 676**	**3 692 146**	**2 309 687**	**875 278**
Current liabilities	**(1 657 811)**	**(1 400 171)**	**(1 657 812)**	**(413 670)**
Trade and other payable	(1 608 675)	(1 392 235)	(1 608 675)	(411 325)
Lease liability	(49 137)	(7 936)	(49 137)	(2 345)
Total liabilities	**(1 657 812)**	**(1 400 171)**	**(1 657 812)**	**(413 670)**
Net assets	**1 976 867**	**2 291 975**	**651 876**	**461 608**

The Group and Company entered into contracts with various transporters for local transportation of sugar from the mill, with the costs being recovered from ZSS.

3.3 Tokwane Consortium

The Group and Company has a 32.56% interest in the joint operation 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	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Non-current assets				
Property, plant and equipment	21 195	21 419	1 071	1 098

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

3.4 Chiredzi Township (Private) Limited

The company has a 100% interest in the Chiredzi Township (Private) Limited (incorporated in Zimbabwe) whose year end is 31 December which provided water treatment services up until it became dormant in the prior year following a decision to offer the water treatment services directly from the holding company in order to maximise on efficiencies realised through carrying out services from the holding company. Consequently, the company is no longer trading and does not receive any other income.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.12.22 ZWL'000	**31.12.21 ZWL'000**	**31.12.22 ZWL'000**	**31.12.21 ZWL'000**
Share capital issued	57 757	57 757	320	320
Accumulated loss	(57 757)	(57 757)	(320)	(320)
Capital and reserves	-	-	-	-

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 31.03.21 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.22 ZWL'000	Additions ZWL'000	Disposal ZWL'000	Balance 31.03.23 ZWL'000
Permanent improvements	1 479 803	-	-	1 479 803	-	-	1 479 803
Cane roots	12 448 925	1 057 148	(2 017)	13 504 058	1 817 524	(10 843)	15 310 737
Irrigation canals, dams and equipment	8 116 259	-	-	8 116 259	-	-	8 116 259
Housing and buildings	9 157 184	32 768	-	9 189 952	-	-	9 189 952
Sugar factory buildings and plant	14 668 495	167 539	-	14 836 034	21 210	-	14 857 244
Other buildings, plant and equipment	768 622	78 053	(20 718)	825 957	19 149	(1 864)	843 242
Agricultural, haulage and motor vehicles and implements	5 537 978	277 699	(216 107)	5 599 570	69 904	-	5 669 474
Capital work in progress	1 863 067	1 230 159	-	3 093 226	956 901	-	4 050 127
Capital work in progress - strategic spares	120 621	-	-	120 621	512 253	-	632 874
	54 160 954	**2 843 366**	**(238 840)**	**56 765 480**	**3 396 941**	**(12 707)**	**60 149 714**

HISTORICAL COST

	Balance 31.03.21 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.22 ZWL'000	Additions ZWL'000	Disposal ZWL'000	Balance 31.03.23 ZWL'000
Permanent improvements	5,876	-	-	5 876	-	-	5 876
Cane roots	175 905	228 906	(467)	404 344	1 377 875	(1413)	1 780 806
Irrigation canals, dams and equipment	32 327	-	-	32 327	-	-	32 327
Housing and buildings	36 705	6 466	-	43 171	-	-	43 171
Sugar factory buildings and plant	64 570	35 705	-	100 275	13 603	-	113 878
Other buildings, plant and equipment	1 211	16 672	(82)	17 801	18 239	(5)	36 035
Agricultural, haulage and motor vehicles and implements	33 312	68 977	(892)	101 397	53 607	-	155 004
Capital work in progress	107 431	286 293	-	393 724	743 278	-	1 137 002
Capital work in progress - strategic spares	600	-	-	600	512 416	-	513 016
	457 937	**643 019**	**(1 441)**	**1 099 515**	**2 719 018**	**(1 418)**	**3 817 115**

4.2 Accumulated depreciation and impairment - Property, plant and equipment

INFLATION ADJUSTED

	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposals ZWL'000	Balance 31.03.22 ZWL'000	Charge for the year ZWL'000	Disposals ZWL'000	Balance 31.03.23 ZWL'000
Permanent improvements	1 479 803	-	-	1 479 803	-	-	1 479 803
Cane roots	6 981 946	797 956	(2 017)	7 777 885	1 001 131	(10 841)	8 768 175
Irrigation canals, dams and equipment	842 477	133 329	-	975 806	5 793	-	981 599
Housing and buildings	3 003 996	181 778	-	3 185 774	72 870	-	3 258 644
Sugar factory buildings and plant	9 886 057	1 347 470	-	11 233 527	1 860 331	-	13 093 858
Other buildings, plant and equipment	250 611	538 180	(18 263)	770 528	38 795	(1 782)	807 541
Agricultural, haulage and motor vehicles and implements	3 762 123	164 726	(130 754)	3 796 095	431 725	-	4 227 820
	26 207 013	**3 163 439**	**(151 034)**	**29 219 418**	**3 410 645**	**(12 623)**	**32 617 440**

HISTORICAL COST

	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposals ZWL'000	Balance 31.03.22 ZWL'000	Charge for the year ZWL'000	Disposals ZWL'000	Balance 31.03.23 ZWL'000
Permanent improvements	5 876	-	-	5 876	-	-	5 876
Cane roots	15 313	16 023	(467)	30 869	46 032	(1 418)	75 483
Irrigation canals, dams and equipment	3 618	882	-	4 500	600	-	5 100
Housing and buildings	11 812	821	-	12 633	346	-	12 979
Sugar factory buildings and plant	39 701	8 010	-	47 711	39 551	-	87 262
Other buildings, plant and equipment	674	1 882	(72)	2 484	824		3 308
Agricultural, haulage and motor vehicles and implements	14 904	1 541	(553)	15 892	13 092	-	28 984
	91 898	**29 159**	**(1 092)**	**119 965**	**100 445**	**(1 418)**	**218 992**

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. The Group and Company 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	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Accelerated depreciation	2 137	2 017	1 417	467

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

4.2.2 Ratoon sensitivity analysis

		INFLATION ADJUSTED Decrease in operating profit		HISTORICAL COST Decrease in operating profit	
Variable Factor	**Estimated Useful Life**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Ratoon cycles	6 ratoons	(17 291)	(17 710)	(11 469)	(3 820)
Ratoon cycles	5 ratoons	(41 500)	(42 012)	(27 525)	(9 062)

4.3 Carrying amounts - Property, plant and equipment

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Cane roots	6 542 564	5 726 173	1 705 323	373 475
Irrigation canals, dams and equipment	7 134 660	7 140 453	27 227	27 827
Housing and buildings	5 931 308	6 004 178	30 192	30 538
Sugar factory buildings and plant	1 763 385	3 602 507	26 616	52 564
Other buildings, plant and equipment	35 701	55 429	32 727	15 317
Agricultural, haulage and motor vehicles and implements	1 441 654	1 803 475	126 020	85 505
Capital work in progress	4 050 127	3 093 226	1 137 002	393 724
Capital work in progress - strategic spares	632 874	120 621	513 016	600
	27 532 274	**27 546 062**	**3 598 123**	**979 550**

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

4.4 Cost - Intangible assets

	Balance 31.03.21 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.22 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.23 ZWL'000
INFLATION ADJUSTED							
ERP System	822 732	56 639	-	879 371	-	-	879 371
HISTORICAL							
ERP System	3 597	11 705	-	15 302	-	-	15 302

There are no intangible assets pledged as security.

4.5 Accumulated amortisation - Intangible assets

	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.22 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.23 ZWL'000
INFLATION ADJUSTED							
ERP System	216 498	489 877	-	706 375	217 760	(261 849)	662 286
HISTORICAL							
ERP System	875	2 827	-	3 702	4 922	(1 119)	7 505

Amortisation expense is included under administrative and other expenses.

4.6 Carrying amounts – Intangible assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
ERP System	217 085	172 995	7 797	11 600

4.7 Cost – Right of use assets

	Balance 31.03.21 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.22 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.23 ZWL'000
INFLATION ADJUSTED							
Buildings	74 872	2 531	-	77 403	95 992	**(15 522)**	157 873
HISTORICAL COST							
Buildings	7 505	748	-	8 253	76 162	**(15 522)**	68 893

4.8 Accumulated Depreciation – Right of use assets

	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.22 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.23 ZWL'000
INFLATION ADJUSTED							
Buildings	21 868	26 548	-	48 416	53 072	(4 003)	97 485
HISTORICAL							
Buildings	1 984	2 713	-	4 697	20 336	(4 003)	21 030

4.9 Carrying amounts – Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Buildings and office equipment	60 388	28 987	47 863	3 556

4.10 Assets pledged as security

The Group and Company does not have any property, plant and equipment, intangible assets and right of use assets pledged as security for any debts.

4.11 Impairment of tangible and intangible assets

At the end of each reporting period, management assesses if there are any indicators of impairment. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). In determining value in use, the Group and Company'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. There were no indicators of impairment as at 31 March 2023.

5. Investments in associate companies

Name of associate company	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power	
			31.03.23	**31.03.22**
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	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Tongaat Hulett (Botswana) (Proprietary) Limited (i)	1 328 994	678 799	1 328 994	200 552
National Chemical Products Distillers Zimbabwe (Private) Limited (ii)	1 595 133	1 558 995	88 858	57 617
	2 924 127	**2 237 794**	**1 417 852**	**258 169**

(i) The financial year-end is 31 March, and the associate company is equity accounted in consolidated financial statements using the audited year-end accounts. The Group and Company 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	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Total non current assets	779 402	409 595	779 402	121 010
Total current assets	5 509 769	2 613 510	5 509 769	772 143
Total non current liabilities	(71 412)	(48 210)	(71 412)	(14 243)
Total current liabilities	(2 230 774)	(938 441)	(2 230 774)	(277 255)
Net Assets	**3 986 985**	**2 036 454**	**3 986 985**	**601 655**
Group's share of net assets of associates	1 328 994	678 779	1 328 994	200 552
Total Revenue^	19 538 879	9 205 506	19 538 879	2 719 695
Total Profit for the period	1 171 054	575 476	1 171 054	170 020
Dividend received*	355 164	540 436	320 971	105 032
Group's share of profit of associates (after tax)	390 351	191 825	390 351	56 673

^The prior year inflation-adjusted revenue amount was restated using an incorrect factor. This does not impact the prior year figures presented in the primary financial statements as correct profit was used.
*Dividends received was erroneously excluded from the disclosure and has been included in the current year but does not impact the prior year figures presented in the primary financial statements.

(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, financial results for the 9 months to 31 December 2022 have been extracted from the audited financial statements of NCPDZ for the year ended 31 December 2022, and added to unaudited financial results for the 3 months to 31 March 2023. The Group and Company have no commitments relating to its interests in the associate. The associated company has no quoted market price therefore no fair value is disclosed. Summarized financial information in respect of the associate company is set out below:

National Chemical Products Distillers Zimbabwe (Private) Limited

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Total non current assets	1 181 443	170 192	65 813	6 290
Total current assets	2 840 261	3 611 625	559 671	288 630
Total non-current liabilities	(341 197)	-	(19 007)	-
Total current liabilities	(425 135)	(600 234)	(425 135)	(177 335)
Net Assets	**3 255 372**	**3 181 583**	**181 342**	**117 585**
Group's share of net assets of associates	1 595 132	1 558 975	88 858	57 617
Total Revenue	4 137 212	4 959 196	3 574 662	1 088 351
Total Profit for the period	73 790	305 458	63 756	67 036
Group's share of profit of associates (after tax)	36 157	149 674	31 241	32 848

6. Biological assets

	INFLATION ADJUSTED			
	Standing cane ZWL'000	**Fruit orchards ZWL'000**	**Livestock ZWL'000**	**Total ZWL'000**
Balance at 31 March 2021	**21 663 584**	**284 402**	**244 184**	**22 192 170**
Fair value (loss) / gain	**14 324 517**	**(126 652)**	**47 359**	**14 245 224**
- Increase due to growth	27 919 349	-	-	27 919 349
- Decrease due to harvest	(29 723 608)	-	-	(29 723 608)
- (Loss) / gain arising from price changes	15 044 529	(69 165)	53 746	15 029 110
- Gain due to births	-	-	30 404	30 404
- Loss due to death	-	-	(16 096)	(16 096)
- Loss due to sales	-	-	(20 695)	(20 695)
- Gain/(loss) due to increase or decrease in area	1 084 247	(57 487)	-	1 026 760
Balance at 31 March 2022	**35 988 101**	**157 750**	**291 543**	**36 437 394**
Fair value gain / (loss)	**18 645 080**	**(15 136)**	**238 725**	**18 868 669**
- Increase due to growth	50 643 534	-	-	50 643 534
- Decrease due to harvest	(52 433 573)	-	-	(52 433 573)
- Gain arising from price changes	21 869 897	28 647	167 218	22 065 762
- Gain due to births	-	-	175 703	175 703
- Loss due to death	-	-	(58 227)	(58 227)
- Loss due to sales	-	-	(45 969)	(45 969)
- Loss due to decreased area	(1 434 778)	(43 783)	-	(1 478 561)
Balance at 31 March 2023	**54 633 181**	**142 614**	**530 268**	**55 306 063**

HISTORICAL COST

	Standing cane ZWL'000	Fruit orchards ZWL'000	Livestock ZWL'000	Total ZWL'000
Balance at 31 March 2021	**3 706 146**	**48 655**	**41 774**	**3 796 575**
Fair value (loss) / gain	**6 926 257**	**(2 049)**	**44 360**	**6 968 568**
- Increase due to growth*	5 426 109	-	-	5 426 109
- Decrease due to harvest*	(5 815 294)	-	-	(5 815 294)
- Gain arising from price changes	7 081 566	10 351	45 738	7 137 655
- Gain due to births	-	-	6 558	6 558
- Loss due to death	-	-	(3 472)	(3 472)
- Loss due to sales	-	-	(4 464)	(4 464)
- Gain / (loss) due to increased / (decreased) area	233 876	(12 400)	-	221 476
Balance at 31 March 2022	**10 632 403**	**46 606**	**86 134**	**10 765 143**
Fair value gain	**44 000 778**	**96 008**	**444 134**	**44 540 920**
- Increase due to growth	28 536 867	-	-	28 536 867
- Decrease due to harvest	(29 724 125)	-	-	(29 724 125)
- Gain arising from price changes	46 139 665	125 047	396 706	46 661 418
- Gain due to births	-	-	116 537	116 537
- Loss due to death	-	-	(38 620)	(38 620)
- Loss due to sales	-	-	(30 489)	(30 489)
- Loss due to decreased area	(951 629)	(29 040)	-	(980 669)
Balance at 31 March 2023	**54 633 181**	**142 614**	**530 268**	**55 306 063**

*The increase due to growth was overstated by ZWL3 577 651 000 and the decrease due to harvest was overstated by the same amount. This has no impact on previously reported fair value gain.

Biological assets on hand at year end are as follows:

	31.03.23	31.03.22
Hectares under cane	10 729	10 916
Hectares under fruit orchards	11	11
Livestock population	797	733
Net Realisable Value for standing cane valuation (ZWL)	739 951	79 396
There are no biological assets pledged as security		

Management has applied judgement in assessing the components of fair value on biological assets. The judgement considers that physical growth and harvesting are intrinsically linked and impact the fair value movement in biological asset year on year in addition to pricing considerations.

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 Group and Company apply the market approach on valuation of standing cane. 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.

	31.03.23	31.03.22
Area under cane (hectares)	10 729	10 916
Yield (tons cane per hectare)	104	92
Average age at harvest (months)	12	12
Fair Value (ZWL)	739 951	79 396
Cane to sugar ratio	8.39	8.09

6.1 Standing cane sensitivity analysis (continued)

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	
		31.03.23 ZWL'000	**31.03.22 ZWL'000**
Price	+5%	5 773 999	1 128 372
Price	(-5%)	(2 812 604)	(1 128 372)
Yield	+5%	2 731 659	1 030 921
Yield	(-5%)	(2 731 659)	(1 030 921)
Combined	**+5%**	**8 505 659**	**2 159 293**
Combined	**(-5%)**	**(5 544 263)**	**(2 159 293)**

Variable factor	% Movement	HISTORICAL COST Increase/(decrease) in profit	
		31.03.23 ZWL'000	**31.03.22 ZWL'000**
Price	+5%	5 773 999	333 369
Price	(-5%)	(2 812 604)	(333 369)
Yield	+5%	2 731 659	304 577
Yield	(-5%)	(2 731 659)	(304 577)
Combined	**+5%**	**8 505 659**	**637 946**
Combined	**(-5%)**	**(5 544 263)**	**(637 946)**

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

Fair Value used on the valuation of biological assets (ZWL)

	Standing cane	Livestock	Fruit orchards
Fair value 2023	**ZWL**	**ZWL**	**ZWL**
Unit of measure	**Tonne**	**Beast**	**Hectare**
Historical cost	739 951	665 330	557
Inflation adjusted	739 951	665 330	557
Fair value 2022			
Historical cost	79 396	117 509	81
Inflation adjusted	268 736	397 739	274

6.2 Fair value hierarchy for biological assets

INFLATION ADJUSTED

As at 31 March 2023 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	-	-	54 633 181	54 633 181
Fruit orchards	-	-	142 614	142 614
Livestock	-	530 268	-	530 268
	-	**530 268**	**54 775 795**	**55 306 063**
As at 31 March 2022				
Biological assets				
Standing cane	-	-	35 988 101	35 988 101
Fruit orchards	-	-	157 750	157 750
Livestock	-	291 543	-	291 543
	-	**291 543**	**36 145 851**	**36 437 394**

HISTORICAL COST

As at 31 March 2023 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	-	-	54 633 181	54 633 181
Fruit orchards	-	-	142 614	142 614
Livestock	-	530 268	-	530 268
	-	**530 268**	**54 775 795**	**55 306 063**
As at 31 March 2022				
Biological assets				
Standing cane	-	-	10 632 403	10 632 403
Fruit orchards	-	-	46 606	46 606
Livestock	-	86 134	-	86 134
	-	**86 134**	**10 679 009**	**10 765 143**

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	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Trade Receivables				
Sugar receivables	4 779 384	4 771 532	4 779 384	1 426 936
Molasses receivables	44 063	101 862	44 063	12 870
Allowance for credit losses	(335 197)	(61 111)	(335 197)	(18 055)
	4 488 250	**4 812 283**	**4 488 250**	**1 421 751**
Other Receivables				
Prepayments	2 759 833	2 505 873	2 182 830	615 253
VAT receivable	1 323 005	445 877	1 323 005	131 732
Staff receivables	12 235	49 818	12 235	14 718
Private farmers	5 103 950	315 645	5 103 950	93 256
Sundry (game, safari and citrus)*	2 172 781	3 781 573	2 172 781	1 146 202
Allowance for credit losses	(1 044 207)	(515 329)	(1 044 207)	(152 250)
Amounts owing by group companies	15 211 347	6 900 806	15 211 347	2 038 790
	25 538 944	**13 484 263**	**24 961 941**	**3 887 701**
Total trade and other receivables	**30 027 194**	**18 296 546**	**29 450 191**	**5 309 452**

*Sundry (reported as IA: ZWL3 781 573 and HC: ZWL 1 117 236) has been split into sundry (game, safari and citrus) and amounts owing by group companies. This disclosure has been disclosed to provide additional information to the users and this does not impact the primary financial statements.

The Group and Company 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 and Company to the counter-party.

Trade and other receivables disclosed above are classified as financial assets measured at amortised cost as disclosed in note 29.4 except for VAT receivable and Prepayments. All the amounts are classified as current assets.

The average credit period for sugar and other debtors is 21 days (2022:14 days). Interest is charged on trade receivables denominated in the Zimbabwean dollar currency (ZWL) which are overdue and no security is held on any of the trade receivables disclosed above. Before accepting any new customer, the Group and Company 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.

7.1 Risk profile of receivables

The directors 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 Group and Company '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 and Company 's different customer bases. The Group and Company 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.

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

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Balance at the beginning of the year	576 440	600 588	170 305	102 747
Increase in expected credit losses on receivables	1 209 100	228 666	1 209 100	67 558
Net Monetary loss	(406 135)	(252 814)	-	-
Balance at end of year	**1 379 405**	**576 440**	**1 379 405**	**170 305**

8. Inventories

The Group and Company measures inventory at lower of cost and net realisable value.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Stores	10 178 854	7 902 260	9 695 750	2 249 221
Sugar and by products	17 919 421	10 691 747	11 658 136	2 059 109
	28 098 275	**18 594 007**	**21 353 886**	**4 308 330**

The carrying amounts shown above are net of the provision for obsolescence shown below:

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Provision for obsolescence	37 789	13 025	25 064	3 848

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 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Molasses stock	27 041	19 120	27 041	5 649

There are no other stocks valued at net realisable value.

There are no other stocks valued fair value less cost to sale.

There were no stock write downs recognized as an expense during the year.

The amount of inventory recognized as an expense during the year 2023:ZWL 51 352 231 967, 2022: ZWL13 550 523 267

The Group and Company do not have inventories pledged as security for liabilities.

9. Capital and reserves

9.1 Authorised and issued share capital

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

9.3.1 Other components of equity - Group

Other components of equity comprises of foreign currency translation reserve and deferred tax on post acquisition profits of foreign associate Tongaat Hulett Botswana (Proprietary) Limited.

INFLATION ADJUSTED	Foreign currency translation reserve ZWL'000	Other ZWL'000	Total ZWL'000
Balance at 31 March 2021	**(25 955)**	**(740 305)**	**(766 260)**
Exchange loss on translation of equity in foreign associated company net of tax	(65 702)	(11 264)	(76 966)
Deferred tax on post acquisition of foreign associated company	-	(11 264)	(11 264)
Foreign operations – foreign currency translation differences	(65 702)	-	(65 702)
Balance at 31 March 2022	**(91 657)**	**(751 569)**	**(843 226)**
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	494 153	(202 541)	291 612
Deferred tax on post acquisition of foreign associated company	-	(202 541)	(202 541)
Foreign operations – foreign currency translation differences	494 153	-	494 153
Balance at 31 March 2023	**402 497**	**(954 110)**	**(551 614)**

HISTORICAL COST	Foreign currency translation reserve ZWL'000	Other ZWL'000	Total ZWL'000
Balance at 31 March 2021	**189 012**	**20 582**	**209 594**
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	74 158	(3 328)	70 831
Deferred tax on post acquisition of foreign associated company	-	(3 328)	(3 328)
Foreign operations – foreign currency translation differences	74 158	-	74 158
Balance at 31 March 2022	**263 170**	**17 255**	**280 425**
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	1 059 063	(202 541)	856 522
Deferred tax on post acquisition of foreign associated company	-	(202 541)	(202 541)
Foreign operations – foreign currency translation differences	1 059 063	-	1 059 063
Balance at 31 March 2023	**1 322 233**	**(185 286)**	**1 136 947**

9.3.2 Other components of equity - Company

INFLATION ADJUSTED

	Other components of equity ZWL'000	Total ZWL'000
Balance at 31 March 2021	(531 381)	(531 381)
Balance at 31 March 2022	(531 381)	(531 381)
Balance at 31 March 2023	(531 381)	(531 381)

HISTORICAL COST

	Other components of equity ZWL'000	Total ZWL'000
Balance at 31 March 2021	50 794	50 794
Balance at 31 March 2022	50 794	50 794
Balance at 31 March 2023	50 794	50 794

10.1 Deferred tax Liability - Group

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Balance at the beginning of the year	15 818 738	11 759 135	2 564 911	950 386
Movement through OCI - actuarial gain on post retirement provision	(1 371 514)	(294 200)	(585 250)	(63 461)
Movement through OCI - exchange gain on translation of equity in foreign associated company	202 541	11 264	202 541	3 328
Movement through profit and loss	6 460 190	4 342 539	11 500 812	1 674 658
Balance at the end of the year	**21 109 955**	**15 818 738**	**13 683 014**	**2 564 911**
Deferred tax comprises the tax effect of temporary differences arising from:				
Property, plant and equipment and right of use asset	6 694 533	6 330 673	1 078 305	79 200
Provisions and exchange differences	506 606	361 865	(1 304 107)	(210 553)
Biological assets	13 671 659	9 007 324	13 671 659	2 661 143
Accumulated profit of foreign associated company	237 157	118 876	237 157	35 121
Balance at the end of the year	**21 109 955**	**15 818 738**	**13 683 014**	**2 564 911**

10.2 Deferred Tax Liability - Company

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Balance at the beginning of the year	15 699 862	11 573 294	2 530 023	918 863
Movement through OCI actuarial gain on post retirement provision	(1 371 514)	(294 200)	(585 250)	(63 461)
Movement through profit and loss	6 544 449	4 420 768	11 500 805	1 674 615
Balance at the end of the year	**20 872 798**	**15 699 862**	**13 445 578**	**2 530 017**
Deferred tax comprises the tax effect of temporary differences arising from:				
Property, plant and equipment and right of use asset	6 694 533	6 330 673	1 078 305	79 200
Provisions and exchange differences	506 606	361 865	(1 304 386)	(210 320)
Biological assets	13 671 659	9 007 324	13 671 659	2 661 143
Balance at the end of the year	**20 872 798**	**15 699 862**	**13 445 578**	**2 530 017**

11. Trade and other payables

Trade payables comprise amounts outstanding for trade purchases. The average credit period taken to settle trade purchases denominated in the Zimbabwean Dollar (ZWL) is 7 days (2022:7 days), while the average credit period for trade purchases denominated in the United States Dollar is 21 days (2022:21 days). The majority of trade payables do not accrue interest. Other payables include accrued cane purchases among others. The Group and Company 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	**As at 31.03.22 ZWL'000**	**As at 31.03.23 ZWL'000**	**As at 31.03.22 ZWL'000**
Trade payables	26 426 010	11 684 214	26 426 010	3 452 010
Other payables*	5 842 719	2 941 834	5 839 224	889 522
Payroll creditors	604 863	740 670	604 864	219 857
	32 873 592	**15 366 718**	**32 870 098**	**4 561 389**

*Other payables comprise utilities, local authority rates and debtors with credit balances.

12. Provisions

12.1 Employee benefits provisions (Defined Benefit Plan)

Employee benefits provisions comprise of benefits, other than pension distributions, paid to employees on and during retirement. The Group and Company 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 and Company on account of the services provided by them to the establishment. The Group and Company notes that in the past 3 years there have been no plan amendments, curtailments and settlements. The plans are administered by registered actuaries. The liabilities are summarized as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	**As at 31.03.22 ZWL'000**	**As at 31.03.23 ZWL'000**	**As at 31.03.22 ZWL'000**
Post-retirement medical aid provisions (note 12.1.1)	2 792 974	1 173 101	2 792 974	346 584
Retirement gratuity (note 12.1.2)	2 482 536	1 709 871	2 482 536	505 168
	5 275 510	**2 882 972**	**5 275 510**	**851 752**

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	**As at 31.03.22 ZWL'000**	**As at 31.03.23 ZWL'000**	**As at 31.03.22 ZWL'000**
Provision- current	146 944	230 514	146 944	68 104
Provision - non-current	5 128 566	2 652 458	5 128 566	783 648
	5 275 510	**2 882 972**	**5 275 510**	**851 752**

12. Provisions (continued)

12.1 Employee benefit provisions (Defined Benefit Plan) (continued)

12.1.1 Post-retirement medical aid

The Group and Company 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 2023 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Net liability at the beginning of year	**1 173 101**	**945 354**	**346 584**	**161 729**
Actuarial loss included in other comprehensive income:	**3 025 094**	**379 458**	**2 006 419**	**81 850**
From changes in experience items during the year	3 025 094	379 458	2 006 419	81 850
Net expense recognized in profit and loss	**715 902**	**509 971**	**474 828**	**110 003**
Current service cost	21 672	29 346	14 374	6 330
Interest cost	694 230	480 625	460 454	103 673
Less benefits paid during the year	(52 554)	(32 440)	(34 857)	(6 998)
Adjustment due to IAS 29 application	(2 068 569)	(694 122)	-	-
Net liability at the end of the year	**2 792 974**	**1 108 221**	**2 792 974**	**346 584**

The principal actuarial assumptions applied are:				
Discount rate	217%	63.0%	217%	63%
Health care cost inflation rate	214.0%	60.5%	214.0%	60.5%
Weighted average duration of the obligation	16.4 years	18.07 years	16.4 years	18.07 years

Sensitivity analysis (based on varying individual input)

	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(507 366)	(144 368)	(507 366)	(42 653)
1% increase in trend rate - decrease in the obligation	(218 474)	(94 587)	(218 474)	(27 945)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	763 461	216 635	763 461	64 003
1% decrease in trend rate - increase in the obligation	327 664	141 486	327 664	41 801
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	(867 558)	(245 001)	(867 558)	(72 384)
1% increase in trend rate - increase in the obligation	(372 031)	(159 869)	(372 031)	(47 232)
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	716 208	201 564	716 208	59 551
1% decrease in trend rate - decrease in the obligation	307 666	131 725	307 666	38 917
Estimated contributions payable in the next financial year	**53 999**	**32 135**	**53 999**	**9 494**

12. Provisions (continued)

12.1.1 Post-retirement medical aid (continued)

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 and Company recognises a retirement gratuity provision relating to an after-retirement social security benefit, provided to eligible employees by the Group and Company on account of the services provided by them to the establishment. This unfunded liability is determined actuarially each year using the projected unit credit method. The most recent actuarial valuation of the obligation was carried out as at 31 March 2023 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	**As at 31.03.22 ZWL'000**	**As at 31.03.23 ZWL'000**	**As at 31.03.22 ZWL'000**
Net liability at the beginning of year	**1 709 871**	**1 140 494**	**505 168**	**195 112**
Actuarial loss included in other comprehensive income:	**2 523 101**	**810 673**	**1 673 468**	**174 865**
From changes in experience items during the year	2 523 101	810 673	1 673 468	174 865
Net expense recognized in profit and loss	**558 276**	**661 652**	**370 282**	**142 722**
Current service cost	32 757	63 061	21 727	13 603
Interest cost	525 519	598 591	348 555	129 119
Less benefits paid during the year	(100 082)	(34 914)	(66 381)	(7 531)
Adjustment due to IAS 29 application	(2 208 628)	(868 034)	-	-
Net liability at the end of the year	**2 482 537**	**1 709 871**	**2 482 537**	**505 168**

The principal actuarial assumptions applied are:				
Discount rate	117%	141%	117%	141%
Salary inflation rate	114%	138%	114%	138%
Weighted average duration of the obligation	13.3years	13.8years	13.3years	13.8years

12. Provisions (continued)

12.1.2 Retirement gratuity (continued)

Sensitivity analysis (based on varying individual input)

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(342 442)	(296 108)	(342 442)	(87 483)
1% increase in trend rate - decrease in the obligation	(252 225)	(178 645)	(252 225)	(52 780)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	405 759	351 965	405 759	103 986
1% decrease in trend rate - increase in the obligation	297 443	211 835	297 443	62 585
Sensitivity of salary inflation trend rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	397 355	341 178	397 355	100 799
1% increase in trend rate - increase in the obligation	290 874	205 170	290 874	60 616
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	(341 586)	(155 402)	(341 586)	(45 913)
1% decrease in trend rate - decrease in the obligation	(251 251)	(176 454)	(251 251)	(52 132)
Estimated contributions payable in the next financial year	**92 945**	**198 255**	**92 945**	**58 573**

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.

Limitations of methods and assumptions used in sensitivity analysis

i) Sensitivity analysis will provide many impacts on the outcome, but it does not point to the best choice which can have full benefit. It just provides information on the impact which may not happen.
ii) Sensitivity analysis only tells the effect of variable change. However, it does not show the possibility of those changes.

12.2 Leave pay provisions

The provision for leave pay represents the amount of outstanding annual leave at the end of the year. The liability will be extinguished when employees go on leave, retire or resign from employment. A provision is recognised for benefits accruing to employees in respect of annual 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.

12. Provisions (continued)

Leave Provisions

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Balance at the beginning of the year	1 026 967	227 748	303 409	38 962
Movement during the year	653 403	988 004	653 403	264 447
Net Monetary (loss)/gain	(723 557)	(188 785)	-	-
Balance at the end of the year	**956 812**	**1 026 967**	**956 812**	**303 409**

13. Leases

The Group and Company lease 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 and Company does not have an option to purchase the properties at the expiry of the lease periods.

The Group and Company also lease office equipment (office printers) with an average lease term of 4 years. The Group and Company are not exposed to foreign currency risk as a result of the lease arrangements, as the leases are denominated in ZWL. The following table sets out a maturity analysis of the Group and Company's lease payments, showing the undiscounted cash flows to which the Group and Company are exposed in respect of the lease contracts after the reporting date.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Maturity analysis – contractual undiscounted cash flows				
Due within one year	51 017	11 884	51 017	3 511
Due within one to two years	61 502	10 133	61 502	2 994
Due within two to three years	30 128	4 222	30 128	1 247
Total undiscounted lease liabilities at 31 March	**142 647**	**26 238**	**142 647**	**7 752**
Lease liabilities included in the statement of financial position	**135 262**	**21 447**	**135 262**	**6 337**
Analysed as follows :				
Current liability	51 017	11 884	51 017	3 511
Non-current liability	84 245	9 564	84 245	2 826
Amounts recognised in profit or loss				
Interest accrued on lease liabilities	15 602	14 152	13 249	3 031
Amounts recognised in the statement of cash flows				
Total cash outflow for leases*	(55 484)	(28 909)	(36 800)	(6 236)

*In prior year, the figure indicated within the note only referred to the principal portion within financing activities excluding interest cash outflow on leases. This has been updated and applied to the current year with no impact to the primary financial statements.

14. Borrowings

14.1 Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Unsecured	**9 262 618**	**4 155 108**	**9 262 618**	**1 227 594**
Loans from: - Stanbic Bank of Zimbabwe (i)	9 262 618	4 016 915	9 262 618	1 186 766
Overdraft from :- CABS (ii)	-	138 193	-	40 828
Analysed as follows	**9 262 618**	**4 155 108**	**9 262 618**	**1 227 594**
Short term	9 262 618	3 756 597	9 262 618	1 109 857
Long term	-	398 511	-	117 737

Summary of borrowing arrangements

(i) The Stanbic loan consisted of a short term renewable US$ denominated loan bearing interest of 7.5% per annum in 2023 and a tenure of 365 days. In the prior year, the Stanbic loan consisted of a ZWL denominated short term loan bearing interest of 40% per annum and a tenure of 365 days and a long term renewable USD denominated loan bearing interest of 7% and a tenure of 1095 days.
(ii) There is no CABS overdraft facility in the current year. In the prior year, the CABS overdraft facility beared 45% interest per annum and a tenure of 365 days.
(iii) The Group and Company does not have any property, plant and equipment pledged as security for any debts.

14.2.1 Current year reconciliation of liabilities arising from financing activities

The information below details changes in the Group and Company'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 and Company's financial statement of cash flows as cash flows from financing activities.

	INFLATION ADJUSTED				
	31.03.22 ZWL'000	Financing cash inflows ZWL'000	Financing cash outflows ZWL'000	Non-cash changes (i) ZWL'000	31.03.23 ZWL'000
Lease	21 448	-	(40 019)	153 833	135 262
Bank loan	4 155 108	15 765 366	(10 999 914)	342 058	9 262 618

	HISTORICAL COST				
	31.03.22 ZWL'000	Financing cash inflows (i) ZWL'000	Financing cash outflows ZWL'000	Non-cash changes (i) ZWL'000	31.03.23 ZWL'000
Lease	6 337	-	(23 688)	117 911	135 262
Bank loan	1 227 594	10 456 513	(7 295 786)	4 874 297	9 262 618

(i) Non cash changes on bank loans include forex revaluation of ZWL6 455 419 651 and an impact of inflation (IAS 29) adjustment of (ZWL6 113 361 801).

14.2.2 Comparative year reconciliation of liabilities arising from financing activities

	INFLATION ADJUSTED				
	31.03.21 ZWL'000	Financing cash inflows ZWL'000	Financing cash outflows ZWL'000	Other changes (i) ZWL'000	31.03.22 ZWL'000
Lease	23 666	-	(15 381)	13 163	21 448
Bank loan	-	13 185 521	(8 209 665)	(820 748)	4 155 108

	HISTORICAL COST				
	31.03.21 ZWL'000	Financing cash inflows (i) ZWL'000	Financing cash outflows ZWL'000	Non cash changes (i) ZWL'000	31.03.22 ZWL'000
Lease	7 512	-	(2 108)	933	6 337
Bank loan	-	2 844 165	(1 770 854)	154 284	1 227 594

(i) Non cash changes on bank loans include forex revaluation of ZWL715 259 325 and an impact of inflation (IAS 29) adjustment of (ZWL1 536 007 461).

15. Operating Profit

	Note	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST Year ended 31.03.23 ZWL'000	HISTORICAL COST Year ended 31.03.22 ZWL'000
Revenue	25	139 261 526	101 907 441	100 578 926	22 676 207
Cost of sales		**(84 521 277)**	**(67 403 809)**	**(51 649 077)**	**(13 550 523)**
Agricultural and mill chemicals		(1 330 397)	(4 043 954)	(812 976)	(812 976)
Cane purchases		(48 745 562)	(32 563 230)	(29 778 407)	(6 640 803)
Depreciation and amortisation	4	(3 370 485)	(3 120 480)	(84 423)	(22 009)
Staff costs		(17 170 013)	(12 596 925)	(12 477 551)	(2 806 674)
Maintenance and other direct production costs		(13 904 820)	(15 079 220)	(8 495 720)	(3 268 061)
Gross profit		**54 740 249**	**34 503 632**	**48 929 849**	**9 125 683**
Marketing and selling expenses		**(13 729 455)**	**(10 781 053)**	**(10 126 216)**	**(2 327 903)**
Administration costs		**(32 904 922)**	**(18 009 083)**	**(26 361 850)**	**(3 974 317)**
Audit fees - external		(441 449)	(240 876)	(394 927)	(65 809)
- internal		(28 250)	(57 998)	(22 186)	(15 133)
Depreciation and amortisation	4	(232 430)	(489 877)	(13 575)	(5 339)
Depreciation of right of use asset	4	(5 942)	(30 644)	(1 095)	(1 335)
Staff costs		(16 173 103)	(6 622 262)	(13 966 653	(1 584 743)
Maintenance and other administration costs		(16 023 748)	(10 567 426)	(11 963 414)	(2 301 958)
Expected credit losses	7	(1 209 100)	(228 666)	(1 209 100)	(67 558)
Fair value adjustment on biological assets	6	18 868 669	14 245 224	44 540 920	6 968 568
Other operating income/(expenses)		**129 481**	**1 445 942**	**(580 548)**	**262 248**
(Loss)/profit on disposal of property, plant, equipment and intangible assets		(15 604)	(13 949)	(11 519)	17 862
Exchange (losses)/gains		(5 596 363)	99 065	(4 778 292)	(52 809)
Other sundry income*		5 741 448	1 360 826	4 209 263	297 195
Operating profit		**25 894 922**	**21 175 996**	**55 193 055**	**9 986 722**

*The Group and Company generated sundry income from sale of agriculture inputs and fuel to out-growers, rentals, sale of scrap metal, and sale of sundry crops.

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 and Company. There are no unsatisfied performance obligations at 31 March 2023 (2022: nil) as all revenues from the sale of the Group and Company's products are considered to be satisfied by a single performance obligation.

16. Net finance income / (charges)

	INFLATION ADJUSTED Year ended 31.03.23 ZWL'000	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	HISTORICAL COST Year ended 31.03.23 ZWL'000	HISTORICAL COST Year ended 31.03.22 ZWL'000
Finance income	10 661 994	2 184 798	7 678 452	543 072
Finance cost	(7 439 939)	(3 070 526)	(5 134 354)	(525 512)
	3 222 055	**(885 728)**	**2 544 098**	**17 560**

17. Group and Company Income tax expense

17.1 Group Income Tax Expense

Income tax expense	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Current year normal tax	(2 202 181)	(3 124 170)	(3 530 755)	(999 453)
Movement in current year deferred taxation	(6 460 690)	(4 366 996)	(11 825 735)	(1 674 658)
Charged to group statement of profit or loss	**(8 662 871)**	**(7 491 166)**	**(15 356 490)**	**(2 674 111)**

17.1.2 Company Income Tax Expense

Income tax expense	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.23 ZWL'000	As at 31.03.22 ZWL'000
Current year normal tax	(2 118 422)	(3 070 398)	(3 855 685)	(999 496)
Movement in current year deferred taxation	(6 544 449)	(4 420 768)	(11 500 805)	(1 674 615)
Charged to company statement of profit or loss	**(8 662 871)**	**(7 491 166)**	**(15 356 490)**	**(2 674 111)**

17.2 Group and Company Tax Rate Reconciliation

Reconciliation of tax rate	%	%	%	%
Notional tax rate	24.72	24.72	24.72	24.72
Tax effect of associate results reported net of tax	(0.52)	(0.47)	(0.23)	(0.30)
Tax effect of Income exempt from tax	-	-	-	-
Tax effect of expenses not deductible for tax purposes	9.60	6.10	1.80	1.85
Tax effect of inflation adjustment	(1)	4.38	-	-
Tax effect of dividend income from associate taxed at 20%	0.30	0.36	0.12	0.22
Effective tax rate (ETR) (%)	**33.47**	**35.09**	**26.40**	**26.49**

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

The ETR for the group and company is at 33% and the difference between the two is immaterial to warrant a separate disclosure.

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 disallowed by the Commissioner General and an appeal was made to the fiscal court where the case was concluded in favour of the company. ZIMRA in turn appealed through the Supreme court, where the case was heard in February 2022 and the same Fiscal court ruling was upheld. Since the Company had already settled the ZWL11.4million, ZIMRA became obliged to refund the amount in full plus costs. In the same month, ZIMRA re-issued the same assessments founded on the same facts and circumstances and the Company objected since the matter is considered res judicata. A response from the Commissioner is still pending but no tax exposure is expected.

18. Earnings per share

18.1 Earnings per share for the Group

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Profit for the year	**17 221 757**	**13 858 215**	**42 802 254**	**7 419 692**
Adjustments:				
Loss/ (Profit) on disposal of property, plant and equipment	15 604	13 949	11 519	(17 862)
Headline earnings	**17 237 361**	**13 872 164**	**42 813 773**	**7 401 830**
Weighted average number of shares in issue (shares)	193 021	193 021	193 021	193 021
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	8 922	7 180	22 175	3 844
Headline and diluted headline earnings per share	8 930	7 187	22 181	3 835

18.2 Earnings per share for the Company

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Profit for the year	**16 945 317**	**13 171 681**	**42 701 634**	**7 435 203**
Adjustments:				
Loss/ (Profit) on disposal of property, plant and equipment	15 604	13 949	11 519	(17 862)
Headline earnings	**16 960 921**	**13 185 630**	**42 713 153**	**7 417 341**
Weighted average number of shares in issue (shares)	193 021	193 021	193 021	193 021
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	8 779	6 824	22 123	3 852
Headline and diluted headline earnings per share	8 787	6 831	22 129	3 843

Headline earnings

Headline earnings comprise basic earnings attributable to ordinary shareholders adjusted for profits, losses and items of a capital nature that do not form part of the ordinary activities of the Group and Company.

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

19. Dividends

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Dividend payable at the beginning of the year	-	-	-	-
Dividend declared	459 563	2 063 216	393 688	447 808
Dividend paid	(459 563)	(2 063 216)	(393 688)	(447 808)
Dividend not yet paid	**-**	**-**	**-**	**-**

20. Notes to the Group statement of cash flows

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
20.1 Cash generated from operations				
Profit before tax	25 884 628	21 349 381	58 158 744	10 093 803
Depreciation and amortisation (Note 4.2)	3 415 626	3 679 864	124 585	34 701
Exchange loss / (gains)*	4 476 820	1 341 076	2 817 837	130 408
Net movement in post retirement provisions	(98 209)	25 053	(65 138)	5 403
Gross movement in provisions	2 392 538	813 188	4 423 758	494 910
Movement attributable to reserves	(2 490 747)	(788 135)	(4 488 896)	(489 507)
Monetary loss /(gain)	3 779 692	(651 203)	-	-
Net finance charges / (income)	(3 222 055)	885 728	(2 544 098)	(17 560)
Share of associate companies' profit after tax (note 5)	(547 343)	(407 910)	(421 591)	(89 521)
Profit/(Loss) on disposal of property, plant and equipment	15 604	13 949	11 519	(17 862)
Fair value gain on biological assets (Note 6)	(18 868 669)	(14 245 224)	(44 540 920)	(6 968 568)
	14 836 094	**11 990 714**	**13 540 938**	**3 170 804**

*Part of exchange gains/losses which were previously classified under cash generated from operations have now been correctly presented under changes in working capital. This has no impact on previously reported net cash generated from operations.

20.1.1 Changes in working capital

Increase in inventories	(16 873 492)	(7 300 642)	(17 066 772)	(2 342 019)
Increase in accounts receivables	(10 521 548)	(6 643 617)	(24 140 741)	(3 313 422)
Increase in accounts payable	11 095 908	520 148	25 535 688	2 641 640
(Decrease)/Increase in leave pay	(70 154)	799 219	653 403	264 447
	(16 369 286)	**(12 624 892)**	**(15 018 422)**	**(2 749 354)**

20.2 Notes to the Company statement of cash flows

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Cash generated from operations				
Profit before tax	25 608 188	20 662 847	58 058 124	10 109 314
Depreciation and amortisation (Note 4.2)	3 415 626	3 679 864	124 585	34 701
Dividend received from associate	(355 164)	(540 436)	(320 971)	(105 032)
Exchange loss / (gains)	4 476 820	1 341 076	2 817 837	130 408
Net movement in post retirement provisions	(98 209)	25 053	(65 138)	5 403
Gross movement in provisions	2 392 538	813 188	4 423 758	494 910
Movement attributable to reserves	(2 490 747)	(788 135)	(4 488 896)	(489 507)
Monetary loss	3 863 953	167 857	-	-
Net finance charges / (income)	(3 222 055)	885 728	(2 544 098)	(17 560)
Loss/(Profit) on disposal of property, plant and equipment	15 604	13 949	11 519	(17 862)
Fair value gain on biological assets (Note 6)	(18 868 669)	(14 245 224)	(44 540 920)	(6 968 568)
	14 836 094	**11 990 714**	**13 540 938**	**3 170 804**

20.2.1 Changes in working capital

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.23 ZWL'000	Year ended 31.03.22 ZWL'000
Increase in inventories	(16 873 492)	(7 300 642)	(17 066 772)	(2 342 019)
Increase in accounts receivables	(10 521 548)	(6 643 617)	(24 140 741)	(3 313 422)
Increase in accounts payable	11 095 908	520 148	25 535 688	2 641 639
(Decrease)/increase in leave pay	(70 154)	799 219	653 403	264 447
	(16 369 286)	**(12 624 892)**	**(15 018 422)**	**(2 749 355)**

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

This note applies to Group and Company property, plant, equipment, right of use asset and intangible assets.

Carrying amount of property, plant, equipment and intangible assets disposed of	11 601	87 808	11 519	348
(Loss)/Profit on disposal	(11 601)	(13 949)	(11 519)	17 862
Proceeds from Disposal	**-**	**73 859**	**-**	**18 210**

21. Directors' emoluments

In respect of services as Directors	124 609	89 838	100 914	21 441
In respect of managerial services	302 021	336 923	200 318	75 232
	426 630	426 761	301 232	96 673

22. Employee benefit expense

Short-term benefits	42 965 421	21 364 283	28 497 180	4 608 353
Post-employment benefits	1 148 620	816 924	761 832	176 213
	44 114 041	**22 181 207**	**29 259 012**	**4 784 566**

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 93% of the Group and Company revenue is derived from sales made on behalf of the Group and Company by Zimbabwe Sugar Sales (Private) Limited in which the Group and Company has a 50% shareholding (note 3.2). The following amounts were received from ZSS in respect of sugar sales.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Sugar revenue	132 816 964	98 402 366	95 322 423	21 873 891

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

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Trade accounts receivables/(payables):				
Triangle Limited - receivable (i)	14 968 037	6 805 690	14 968 037	2 010 688
Tongaat Hulett Botswana (Proprietary) Limited - Associate Company (THB)	243 310	95 116	243 310	28 102
Amounts owing by group Companies	**15 211 347**	**6 900 806**	**15 211 347**	**2 038 790**
Lowveld Sugar Development Trust (LSDT)	(661 346)	(813 272)	(661 346)	(240 275)
Tongaat Hulett Limited (Tongaat Hulett) - Parent Company (TH)	(5 142 991)	(1 813 800)	(5 142 991)	(535 873)

(i) Within this receivable balance, the Group and Company has a back to back 365 days unsecured related party loan facility with Triangle, which is flexible in terms of currency. The facility is either drawn in Zimbabwean dollars or United States dollars. The advance at 31 March 2023 is denominated in both United States dollars and Zimbabwean dollars, accruing interest at a rate of 7.5% and 75% per annum respectively. The terms of agreement are at arms' length.

There are no guarantees given or received in respect of the amounts owed to TH and on amounts owed by LSDT, Triangle and THB. Expected credit loss amount of ZWL150 223 517 (2022: ZWL19 881 559) in respect of these balances was raised and recognized as an expense in the statement of profit or loss and other comprehensive income.

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.23 ZWL'000	**Year ended 31.03.22 ZWL'000**	**Year ended 31.03.23 ZWL'000**	**Year ended 31.03.22 ZWL'000**
Triangle Limited				
- Sales	6 517 357	3 326 184	4 322 692	717 470
- Operating expenses	(1 268 802)	(617 096)	(841 544)	(133 110)
- Interest	2 540 694	697 397	2 040 945	177 626
- Directors' fees	-	(53 207)	-	(11 477)
	7 789 249	**3 353 278**	**5 522 093**	**750 509**
Tongaat Hulett				
- Group support service fees	2 051 032	1 313 305	1 360 364	283 285
NCPDZ				
- Sales	72 208	47 350	21 333	8 100
Tongaat Hulett Botswana (Proprietary) Limited				
- Sugar sales	3 995 997	2 279 283	2 143 076	439 258
LSDT				
Cane Purchases	2 467 130	135 898	1 636 345	29 314

LSDT balances and transactions were erroneously excluded from the note in prior year but this has no impact on the figures presented in the primary financial statements and has been added in the current year.

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

Tongaat Hulett provide support services to the Group and Company. 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.

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	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Short-term benefits	2 894 424	2 269 387	1 919 751	489 515
Post-employment benefits	298 134	256 630	197 740	55 356
	3 192 558	**2 526 017**	**2 117 491**	**544 871**

25. Segmental reporting

IFRS 8 "Operating Segments"

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

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

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

25. Segmental reporting (continued)

Segment information for the reportable segments for the year ended 31 March 2023 is as follows:

	INFLATION ADJUSTED			
	Agriculture 31.03.23 ZWL'000	Milling 31.03.23 ZWL'000	Gaming and other farming activities 31.03.23 ZWL'000	Total 31.03.23 ZWL'000
Total segment revenue	71 863 232	138 588 509	180 979	210 632 720
Inter segment revenue	(71 371 194)	-		(71 371 194)
Revenue from external customers	**492 038**	**138 588 509**	**180 979**	**139 261 526**
Adjusted EBITDA	16 252 253	(5 723 149)	(87 226)	10 441 878
Fair value gain on biological assets	18 328 528	-	540 142	18 868 670
Depreciation and amortisation	(2 459 892)	(949 770)	(5 964)	(3 415 626)
Operating profit/(loss)	**32 120 889**	**(6 672 919)**	**446 952**	**25 894 922**
Total non-current assets	**14 609 966**	**11 054 008**	**2 085 385**	**27 749 359**

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

	31.03.23 ZWL'000
Segment non-current assets for reportable segments	27 749 359
Right - of - use asset	60 388
Unallocated: Investments in associated companies	2 924 127
Total non-current assets per statement of financial position	**30 733 874**

Segment information for the reportable segments for the year ended 31 March 2022 is as follows:

	INFLATION ADJUSTED			
	Agriculture 31.03.22 ZWL'000	Milling 31.03.22 ZWL'000	Gaming and other farming activities 31.03.22 ZWL'000	Total 31.03.22 ZWL'000
Total segment revenue	42 996 542	101 462 794	146 773	144 606 109
Inter segment revenue	(42 658 448)	-	(40 220)	(42 698 668)
Revenue from external customers	**338 094**	**101 462 794**	**106 553**	**101 907 441**
Adjusted EBITDA	8 610 299	1 945 392	54 945	10 610 636
Fair value gain/(loss) on biological assets	14 279 292	-	(34 068)	14 245 224
Depreciation and amortisation	(2 594 151)	(1 071 338)	(14 375)	(3 679 864)
Operating profit/(loss)	**20 295 440**	**874 054**	**6 502**	**21 175 996**
Total non-current assets	**14 132 271**	**6 008 196**	**7 578 590**	**27 719 057**

25. Segmental reporting (continued)

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

	31.03.22
	ZWL'000
Segment non-current assets for reportable segments	27 719 057
Right - of - use asset	28 987
Unallocated: Investments in associated companies	2 237 794
Total non-current assets per statement of financial position	**29 985 838**

Included in revenues arising from direct sales by the milling segment are revenues of approximately ZWL22 572 175 299 (2022: ZWL6 009 279 724) realised from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in 2023.

Segment information for the reportable segments for the year ended 31 March 2023 is as follows:

	HISTORICAL COST			
	Agriculture 31.03.23 ZWL'000	Milling 31.03.23 ZWL'000	Gaming and other farming activities 31.03.23 ZWL'000	Total 31.03.23 ZWL'000
Total segment revenue	51 901 820	100 077 630	130 709	152 110 159
Inter segment revenue	(51 531 233)	-	-	(51 531 233)
Revenue from external customers	**370 587**	**100 077 630**	**130 709**	**100 578 926**
Adjusted EBITDA	16 773 416	(5 906 673)	(90 023)	10 776 720
Fair value gain on biological assets	44 000 778	-	540 142	44 540 920
Depreciation and amortisation	(89 724)	(34 643)	(218)	(124 585)
Operating profit/(loss)	**60 684 470**	**(5 941 316)**	**449 901**	**55 193 055**
Total non-current assets	**1 898 506**	**1 436 424**	**270 990**	**3 605 920**

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

	31.03.23
	ZWL'000
Segment non-current assets for reportable segments	3 605 920
Unallocated: Investments in associated companies	1 417 852
Right - of - use asset	47 863
Total non-current assets per statement of financial position	**5 071 635**

Segment information for the reportable segments for the year ended 31 March 2022 is as follows:

	HISTORICAL COST			
	Agriculture 31.03.22 ZWL'000	**Milling 31.03.22 ZWL'000**	**Gaming and other farming activities 31.03.22 ZWL'000**	**Total 31.03.22 ZWL'000**
Total segment revenue	9 567 490	22 502 277	32 661	32 102 428
Inter segment revenue	(9 417 271)	-	(8 950)	(9 426 221)
Revenue from external customers	**150 219**	**22 502 277**	**23 711**	**22 676 207**
Adjusted EBITDA	2 917 307	126 009	9 539	3 052 855
Fair value adjustment on biological assets	6 926 257	-	42 311	6 968 568
Depreciation and amortisation	(24 463)	(10 103)	(135)	(34 701)
Operating profit/(loss)	**9 819 101**	**115 906**	**51 715**	**9 986 722**
Total non-current assets	**505 327**	**214 835**	**270 988**	**991 150**

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

	31.03.22 ZWL'000
Segment non-current assets for reportable segments	991 150
Unallocated: Investments in associated companies	258 169
Right–of-use asset	3 556
Total non-current assets per statement of financial position	**1 252 875**

26. Capital expenditure commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Commitments for capital expenditure				
Contracted for	719 060	558 141	719 060	164 898
Authorised but not contracted for	1 235 000	260 586	1 235 000	76 988
	1 954 060	**818 727**	**1 954 060**	**241 886**

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

27. Going concern

27.1 Introduction

The consolidated and separate financial statements have been prepared on a going concern basis in accordance with IFRS Conceptual Framework which assumes that the Group and Company will continue in operation into the foreseeable future. Directors have reviewed the Group's performance and major risks, as well as its cash flow forecasts for the next twelve months. Based on this review, and in light of the current financial position, the directors continued to adopt the going concern basis in preparing the consolidated and separate financial statements having taken into the following considerations:

27.1.1 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. However, the Group and Company formally applied to the Government of Zimbabwe for a 99-year lease of the designated agricultural land under use and this is being finalized. In November 2020, the Group and Company received an institutional offer letter which is a commitment from the government for security of tenure. Progress is underway on securing the 99-year lease for the area under the offer letter. Even though the land was gazetted some years back, the Directors are satisfied that future economic benefits derived from the use of land will continue to flow to the Group and Company, as such, going concern is still appropriate.

Furthermore, the Group and Company's milling license runs up to 2040, hence in the rare event that the Group and Company loses the agriculture land, the company has security to the milling business. Consequently, the Directors believe that the presentation of the financial statements on a going concern basis is still appropriate

27.1.2 Impact of hyperinflation and foreign currency dynamics

The prevailing macro-economic conditions within the country's economy have negatively affected the business operating environment. The adverse conditions which include, shortages of foreign currency, continued weakening of the local currency and price instability, will continue to have a bearing on the performance of the business. The Directors and management are continuously monitoring evaluating the operating environment to re-assess and appropriately adapt its strategies to ensure the continued operation of the Group and Company into the foreseeable future.

The Group and Company has been adjusting product prices in tandem with the growth of input costs and exchange rate fluctuations so as to protect margins/EBITDA and this has helped to keep business in continuity for the 12 months under audit. During the period under audit, the company was exposed to exchange rate fluctuations and this impacted on both purchases and sales. To mitigate against potential losses, credit sales were largely denominated in the United States Dollar (USD) currency while sales denominated in the Zimbabwean Dollar (ZWL) currency were in the form of prepayments. Product prices were constantly reviewed weekly by the pricing committee in light of these foreign currency dynamics. The Group and Company anticipates that the current process will continue and initiatives are being progressed to enhance costs control and reviews for the betterment of the business.

Despite these foreign currency dynamics, the Group and Company was able to meet all its obligations and anticipates to be able to meet all its obligations from own cash flows and existing borrowing facilities. The Directors and management are continuously monitoring and evaluating the operating environment to re-assess and appropriately adapt its strategies to ensure the continued operation of the Group and Company into the foreseeable future. The Directors have reviewed the Group's cash flow forecasts to 31 March 2024 and the application of reasonable sensitivities associated with such forecasts. In light of this review, and the current financial position, the directors have continued to adopt the going concern basis in preparing the consolidated financial statements.

27.1.3 Impact of Tongaat Hulett South Africa business rescue

While the South African operations are under the business rescue process, the international businesses which include the Group and Company (Hippo Valley Estates Limited) are not in business rescue. The Group and Company sugar operations are not financially distressed, will not enter business rescue and will continue trading. In addition, with regards intercompany transactions with the South African operations, the Group and Company are in a net owing position hence exposure due to this development is also minimal. In relation to the processes, there are no key processes that would threaten the Group and Company's going concern.

28. Financial instruments

28.1 Group risk management

The Group and Company manages its capital to ensure that entities in the Group and Company will be able to continue as a going concern while maximizing the return to stakeholders through an appropriate debt and equity balance. The Group's strategy remains relatively unchanged from 2022. The capital structure of the Group and Company consists of debt, which includes leases and borrowings, cash and cash equivalents and equity comprising issued share capital, non-distributable reserves, and retained earnings as disclosed in the financial statements.

28.1.1 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	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Debt (i)	9 397 880	4 176 555	9 397 880	1 233 931
Cash and bank balances	(4 839 135)	(2 608 311)	(4 839 135)	(770 605)
Net (cash) / debt	**4 558 745**	**1 568 244**	**4 558 745**	**463 326**
Equity (ii)	78 713 817	65 806 104	53 160 621	12 641 647
Debt plus Equity	88 111 697	69 982 659	62 558 501	13 875 578
Gearing ratio	**10.67%**	**5.97%**	**15.02%**	**8.89%**
Net debt to equity ratio	**5.79%**	**2.38%**	**8.58%**	**3.67%**

(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.

28.2 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 7 to the financial statements.

28.3 Categories of financial instruments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Financial assets				
Amortised cost				
Cash and cash equivalents	4 839 135	2 608 311	4 839 135	770 605
Financial assets in trade and other receivables	25 944 356	15 344 796	25 944 356	4 562 467
Total trade and other receivables (note 7)	30 027 194	18 296 546	29 450 191	5 309 452
Less: Prepayments	(2 759 833)	(2 505 873)	(2 182 830)	(615 253)
VAT	(1 323 005)	(445 877)	(1 323 005)	(131 732)
	30 783 491	**17 953 107**	**30 783 491**	**5 333 072**
Financial liabilities				
Trade and other payables	31 805 396	15 366 718	31 805 396	4 390 137
Borrowings	9 262 618	4 155 108	9 262 618	1 227 594
	41 068 014	**19 521 826**	**41 068 014**	**5 617 731**

28.4 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 and Company currently does not hold any other forms of financial instruments.

28.5 Financial risk management objectives

The Board through the Audit Committee and in conjunction with relevant senior management manages the financial risks relating to the operations of the Group and Company through internal risk reports which analyse exposures by degree and magnitude of risks. These risks comprise market risk including currency risk and interest rate risk, credit risk and liquidity 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 and Company does not enter into or trade in financial instruments for speculative purposes.

28.6 Market risk

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

28.7 Interest rate risk management

The Group and Company is exposed to interest rate risk as entities in the Group and Company borrow funds at fixed interest rates which are however subject to changes in minimum lending rate as gazetted by the authorities. The risk is managed by the Group and Company by optimal borrowing and managing the tenure of various loans. Details of the interest rates on the Group and Company's short term liabilities are provided in note 14.1.

28.7.1 Interest rate sensitivity analysis

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on borrowings. With all other variables held constant, the Group's profit before tax is affected by the impact of changes in the interest rate. 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. A 75% (2022: 150%) increase or decrease in the current year 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.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22* ZWL'000
Effect on profit before tax	6 946 964	6 232 662	6 946 964	1 841 391

*Interest rate sensitivity for prior year was incorrectly calculated but has now been recalculated correctly, this does not have an impact on the previously reported numbers on the face of financials.

28.8 Foreign currency risk management

The Group and Company undertakes transactions denominated in foreign currencies; consequently, exposures to exchange rate fluctuations arise. The Group and Company does not use forward exchange contracts to hedge its foreign currency risk. The change from 150% to 75% was on account of the need to track the movement in official exchange rate of ZWL against the US$.

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

	INFLATION ADJUSTED			
	Liabilities		Assets	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Exposure to (payables) (GBP)	-	(658)	-	-
Exposure to (payables)/receivables (US$)	(9 144 541)	(23 357)	1 522 081	484 126
Exposure to (payables)/receivables (ZAR)	(2 076 217)	(89 625)	587	169
	(11 220 758)	**(113 640)**	**1 552 668**	**484 295**

	HISTORICAL COST			
	Liabilities		Assets	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
Exposure to (payables) (GBP)	-	(194)	-	-
Exposure to (payables)/receivables (US$)	(9 144 541)	(6 900)	1 522 081	143 021
Exposure to (payables)/receivables (ZAR)	(2 076 217)	(26 477)	587	50
	(11 220 758)	**(33 571)**	**1 552 668**	**143 071**

US$ became a foreign currency effective 22 February 2019 (See accounting policy note 3).

28.8.1 Foreign currency sensitivity analysis

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

The following table details the Group and Company's sensitivity to a 75% increase and decrease in the ZWL exchange rate against the relevant foreign currencies. 75% 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 75% 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 75% against the relevant currency. For a 75% 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**	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Change by 75%				
Statement of comprehensive income	(5 716 845)	691 106	(1 556 723)	(134 185)

HISTORICAL COST	**US$ Impact (Decrease)/Increase**		**ZAR Impact (Decrease)/Increase**	
	31.03.23 ZWL'000	**31.03.22 ZWL'000**	**31.03.23 ZWL'000**	**31.03.22 ZWL'000**
Change by 75%				
Statement of comprehensive income	(5 716 845)	204 182	(1 556 723)	(39 641)

28.9 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.

28.10 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.

28.11 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.

28.11.1 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.

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
31.03.23						
Trade and other payables		31 805 396	-	-	-	**31 805 396**
Fixed rate loans						
Stanbic –USD	7.5%	-	-	9 262 618	-	**9 262 618**
		31 805 396	-	9 262 618	-	**41 068 014**

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
31.03.22						
Trade and other payables		15 366 718	-	-	-	15 366 718
Stanbic –USD	7%	-	-	1 079 836	426 407	1 506 243
Stanbic	40%	-	-	2 538 568	-	2 538 568
CABS Overdraft	45%	-	-	138 193	-	138 193
		15 366 718	**-**	**3 756 597**	**426 407**	**19 549 722**

28.11.1 Liquidity and interest risk tables

HISTORICAL COST

31.03.23	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
Trade and other payables	-	31 805 396	-	-	-	**31 805 396**
Fixed rate loans						
Stanbic –USD	7.5%	-	-	9 262 618	-	9 262 618
		31 805 396	**-**	**9 262 618**	**-**	**41 068 014**

HISTORICAL COST

31.03.22	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
Trade and other payables		4 390 137	-	-	-	4 390 137
Stanbic –USD	7%	-	-	319 029	125 979	445 008
Stanbic	40%	-	-	750 000	-	750 000
CABS Overdraft	45%	-	-	40 828	-	40 828
		4 390 137	**-**	**1 109 857**	**125 979**	**5 625 973**

*The amount was discounted in error in the prior year but has now been corrected. This does not have an impact on the amounts reported in the financial statements.

28. Financial instruments (continued)

28.11.2 Financial facilities

Unsecured loan facilities with various maturity dates through to 31 March 2023 and which may be extended by mutual agreement.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.23 ZWL'000	31.03.22 ZWL'000	31.03.23 ZWL'000	31.03.22 ZWL'000
CABS				
- amount used	-	-	-	-
- amount unused	-	11 367	-	3 358
	-	**11 367**	**-**	**3 358**
CBZ Bank				
- amount used	-	138 196	-	40 829
- amount unused	1 523 141	1 384 944	1 523 141	409 171
	1 523 141	**1 523 140**	**1 523 141**	**450 000**
Stanbic Bank				
- amount used	9 262 618	4 016 914	9 262 618	1 186 766
- amount unused	4 685 309	3 214 128	4 685 309	949 589
	13 947 927	**7 231 042**	**13 947 927**	**2 136 355**
Total facilities available	**15 471 067**	**8 765 549**	**15 471 067**	**2 589 714**
Analysed as follows:				
- total amount used	9 262 618	4 155 111	9 262 618	1 227 595
- total amount unused	6 208 449	4 610 439	6 208 449	1 362 119

29. Contingent assets and liabilities

The Group and Company does not have any contingent assets. The Group and Company have a contingent liability of ZWL11.4m relating to VAT on milling charges, refer to note 17.3.

30. Subsequent events

The Group and Company performed a review of events subsequent to the reporting date and determined that there were no such events requiring recognition or disclosure in the financial statements.

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 2023

	Shareholders		Shares	
	Number	**%**	**Number**	**%**
Shareholders registered with Zimbabwean addresses	1 431	83.78	167 461 396	86.26
Shareholders registered with external addresses	277	16.22	25 559 168	13.74
	1 708	**100.00**	**193 020 564**	**100.00**
Shares held by:				
Individuals	1 058	63.49	9 446 032	5.04
Pension funds and insurance companies	296	17.91	52 173 316	28.03
Other corporate bodies	327	18.60	131 401 216	66.93
	1 681	**100.00**	**193 020 564**	**100.00**

Ten largest shareholders as at 31 March 2023

		Number of shares	%
1	Triangle Sugar Corporation Limited	97 124 027	50.32
2	Old Mutual Life Assurance Company Zimbabwe Limited	20 651 511	10.70
3	Cape Canary Limited	19 314 480	10.01
4	National Social Security Authority	12 002 759	6.22
5	Stanbic Nominees (Private) Limited –NNR	11 258 578	5.83
6	Mining Industry Pension Fund	2 769 755	1.43
7	Standard Chartered Nominees (Private) Limited	1 636 820	0.85
8	Redan Coupon Private Limited	1 225 000	0.65
9	Old Mutual Zimbabwe Limited	1 081 000	0.56
10	Mega Market (Pvt) Ltd	869 655	0.45
		167 933 585	**86.72**

Hippo Valley Estates Limited

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the Sixty-Seventh (67th) Annual General Meeting (AGM) of members of Hippo Valley Estates Limited will be held at The Country Club, 1 Brompton Road, Newlands, Harare, at 9am on Friday, 29 September 2023, to conduct the following business:

ORDINARY BUSINESS

1 Financial Statements and Reports

To receive and adopt the financial statements of the Company for the year ended 31 March 2023, together with Report of the Directors and Auditors thereon;

2 Dividend

To approve the interim dividend of US$0.003 per share for the year ended 31 March 2023.

3 Directorate

3.1 To note the resignation of Messrs Robin Goetzsche and John Gavin Hudson with effect from 3 November 2022 and 1 March 2023, respectively.

3.2 To re-elect Messrs Rosian Tendai Masawi, Tapera Masarakufa, Canaan Farirai Dube and Robert David Aitken who retire by rotation in terms of article 100 of the 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 Daniel Leseja Marokane, Tafadzwa Chigumbu and Pfungwa Gore Serima as Directors who, having been appointed effective 20 March 2023 and 1 July 2023 respectively, are required to retire in terms of article 107 of the Articles of Association and, being eligible, offer themselves for re-election. Motions for re-election will be moved individually;

4 Directors' Remuneration

To approve Directors' fees for the period 1 April 2023 to 31 March 2024, being board fees of US$3 087 for Non-Executive Directors and US$6 174 for the Chairman, per quarter, with 60% paid as a retainer and 40% as an attendance fee. Further the approval Board Committee fees payable to Non-Executive Directors at US$1 543 and US$3 087 for the Chairman, per quarter, with 60% paid as a retainer and 40% as an attendance fee.

5 Auditors

5.1 To fix the remuneration of the Auditors, Ernst and Young for the past year.

5.2 To appoint Ernst and Young as Auditors of the Company, who have been the Company's Auditors for the past two (2) financial years, to hold office from the conclusion of the Sixty Seventh Annual General Meeting, until conclusion of the next Annual General Meeting.

By Order of the Board

P Kadembo
Company Secretary
30 August 2023

Registered Office:
Hippo Valley Estates
P O Box 1
Chiredzi
Telephone : +263 231 231 5151/6
Email: hvecompanysecretary@tongaat.com

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

NOTES

1. A member entitled to attend, speak and vote at the meeting may appoint a proxy or proxies to attend, speak and vote at the Annual General Meeting in such member's stead. A proxy need not be a member of the Company.
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 Annual General Meeting.
3. Shareholders are to contact the Transfer Secretaries on email info@fts-net.com should they wish to update their contact details or require some assistance with regard to the conduct of the meeting.

Notes

Hippo Valley Estates Limited

ANNUAL **REPORT**
2023

A Tongaat Hulett Company

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