



star**africa**corporation
limited

**AUDITED ABRIDGED
FINANCIAL RESULTS**
March 2023



CHAIRMAN'S STATEMENT

I take pleasure in presenting the financial results for the year ended 31 March 2023. The Group managed to weather the harsh trading and operating environment as evidenced by preservation of the balance sheet.

R. J. MBIRE (PhD)
CHAIRMAN

OVERVIEW

The year under review was characterised by rising inflationary pressures and exchange rate volatility, combined with heightened economic uncertainty emanating from the Russia-Ukraine conflict. This continued to undermine economic recovery from the challenges associated with the COVID-19 pandemic in the prior years.

While month-on-month inflation increased to double-digit figures from June 2022, tight fiscal and monetary policies announced in June 2022 brought some semblance of stability into the market as exchange rate volatility, which is a key source of inflationary pressure in Zimbabwe, has decreased, compared with the pre-July 2022 period.

On 22 June 2022, Government relaxed several COVID-19-related restrictions which had been in place. This was indicative of a softening stance taken by the authorities considering declining rates of COVID-19 infections and fatalities. Consequently, the year under review was not significantly affected by the pandemic, apart from remnant effects from prior periods.

GROUP RESULTS

The Group's financial results are inflation adjusted in compliance with the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies and the historical cost financial information has been disclosed as supplementary information. A 30% increase in turnover was recorded in the year under review, from ZWL38.5billion in the prior year to ZWL50.1billion. The improvement was largely attributable to strong demand for all of the Group's products during the year under review. However, the Group's operating profit shrunk by 93%, from ZWL5.0billion in the prior year to ZWL0.4billion. The lower operating profit was a direct result of increases in raw sugar prices and operating costs in real terms. Increasing global inflationary pressures have resulted in a spike in the costs of imported chemicals, packaging and refinery spares.

In historical terms, revenue increased by 317%, from ZWL10.2billion recorded in the prior year to ZWL42.5billion, while operating profit increased by 34%, from ZWL1.7billion to ZWL2.3billion.

OPERATIONS

Goldstar Sugars ("GSS")

During the year ended 31 March 2023, sales volumes of granulated sugar produced by GSS were stagnant, having been 82,500 tonnes sold in the prior year to 82,321 tonnes. This was on the back of pressure from imports after promulgation of Statutory Instrument 98 of 2022. The Ministry of Finance and Economic Development later suspended duty on the importation of sugar into the country. However, production was adversely affected by raw sugar stockouts and power outages. This resulted in production volumes reducing by 6%, from 82,399 tonnes in the prior year to 77,270 tonnes during the year under review. GSS continues to focus on refurbishment and replacement of critical items of plant and machinery to improve plant availability and, therefore, the refinery's throughput in terms of both quantity and quality of granulated white sugar.

The plant continued to be certified by The Coca Cola Company ("TCCC") and maintained its Food Safety Certification under the FSSC 22000 series. These certifications enable the Group to supply sugar to TCCC franchisees in the Southern African region and beyond.

Country Choice Foods ("CCF")

CCF's products continued to dominate the market on the back of competitive pricing. This has positioned the CCF products among the most affordable in the market. Consequently, sales volumes increased by 9%, from prior year's 1,879 tonnes to 2,048 tonnes. The growth in sales volumes was supported by an improvement in the production of sugar specialties, from 1,920 tonnes last year to 2,140 tonnes in the year under review. The procurement and commissioning of an automatic syrup filling and icing packing machines has been crucial in terms of boosting production at the unit. During the twelve months under review, the unit launched new products into the market, namely drinking chocolate, powdered mahewu, baking powder, cocoa powder and baking raisins.

Properties Business

In inflation adjusted terms, revenue performance for this business improved significantly with ZWL337.5million of rental income being recorded, compared with ZWL162.2million in the prior year. The unit has recovered significantly from prior year, which was negatively impacted by the Covid-19 pandemic that reduced tenants' ability to generate income and meet their rental obligations. Following the waning of the pandemic, occupancy rates and, consequently, rental collections have increased across the property portfolio.

Tongaat Hulett Botswana

The associate recorded a profit for the year under review of ZWL958.1million, with the Company's share being ZWL319.4million after converting the earnings into Zimbabwean Dollars at the Reserve Bank of Zimbabwe Auction exchange rate as at 31 March 2023.

DIVIDEND

Considering the Group's focus on ensuring that adequate working capital is maintained, while facing a volatile operating environment, the Board has taken a decision not to declare a dividend for the year ended 31 March 2023.

OUTLOOK

Zimbabwe's operating environment is expected to remain challenging, largely because of the prevailing inflationary pressures. The Zimbabwe Dollar has regained value after a steep depreciation in June 2023. The tight monetary and fiscal policies enacted in May 2023, if maintained, are expected to bring more stability to the market. The global economic outlook continues to be weighed down by interest rate hikes by most central banks and the negative spill-over effects from the Russia- Ukraine conflict.

The Group looks forward to Government reinstating duty on imported sugar, a development which will impact positively on the local sugar industry.

The Group will continue to tighten its cost-mitigation measures in an effort to improve the operating profitability of both the refinery and the sugar specialties unit.

CONCLUSION

I wish to thank the Group's various stakeholders, my fellow Board Members, management and staff for their contribution to the Group's performance under a very difficult operating environment.

R. J. Mbire (PhD)
Chairman
7 November 2023



OPERATIONAL PERFORMANCE

	PERCENTAGE CHANGE	Year Ended 31 March 2023	Year Ended 31 March 2022
Sales Volumes – Goldstar Sugars (tonnes)	0.2%	82,321	82,500
Sales Volumes – Country Choice Foods (tonnes)	9%	2,048	1,879

FINANCIAL PERFORMANCE

	INFLATION ADJUSTED	HISTORICAL
Revenue	30%	317%
Net Assets	20%	247%

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2023

	INFLATION ADJUSTED AUDITED		HISTORICAL COST UNAUDITED	
Notes	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Revenue from contracts with customers	49 799 631 333	38 367 396 293	42 170 080 794	10 136 745 197
Rental income	337 536 723	162 249 670	297 056 510	44 203 429
Total turnover	50 137 168 056	38 529 645 963	42 467 137 304	10 180 948 626
Cost of sales	(42 142 629 198)	(29 923 904 688)	(35 919 437 593)	(7 937 172 411)
Gross profit	7 994 538 858	8 605 741 275	6 547 699 711	2 243 776 215
Other income	581 558 070	124 796 508	550 123 197	32 655 249
Fair value gain on investment property	2 594 756 918	1 131 665 088	4 740 460 000	737 220 000
Selling and distribution expenses	(1 710 856 758)	(528 424 139)	(1 597 050 395)	(145 244 401)
Administrative expenses	(7 054 598 132)	(4 446 818 475)	(5 948 614 486)	(1 196 894 174)
Expected credit losses	(107 090 825)	(31 807 918)	(149 328 105)	(15 519 739)
Impairment loss	-	(2 877 599)	-	(21 532)
Exchange (loss)/gain	(1 884 824 254)	134 412 202	(1 862 774 394)	45 376 864
Operating profit	413 483 877	4 986 686 942	2 280 515 528	1 701 348 482
Finance cost	(49 752 321)	(4 231 058)	(49 599 967)	(881 632)
Finance income	127 374	1 085 683	106 047	278 238
Loss on net monetary position	(2 427 355 561)	(2 010 878 286)	-	-
Share of profit of an associate	319 572 506	158 946 565	319 572 506	54 305 050
(Loss)/profit before income tax	(1 743 924 125)	3 131 609 846	2 550 594 114	1 755 050 138
Income tax (credit)/expense	14 073 551	(797 957 472)	(159 782 633)	(304 170 173)
(Loss)/profit for the year	(1 729 850 574)	2 333 652 374	2 390 811 481	1 450 879 965
Other comprehensive income				
Other comprehensive income to be reclassified to profit or loss in subsequent periods:				
Exchange differences on translating foreign operations	1 118 835 311	223 367 608	1 118 835 311	76 314 887
Net other comprehensive income to be reclassified to profit or loss in subsequent periods:	1 118 835 311	223 367 608	1 118 835 311	76 314 887
Other comprehensive income not to be reclassified to profit or loss in subsequent periods:				
Revaluation of property, plant and equipment	3 246 581 705	886 737 679	5 826 600 732	708 891 678
Income tax relating to components of other comprehensive income	(470 838 012)	(219 201 554)	(964 212 727)	(174 744 788)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	2 775 743 693	667 536 125	4 862 388 005	534 146 890
Other comprehensive income for the year, net of tax	3 894 579 004	890 903 733	5 981 223 316	610 461 777
Total comprehensive income	2 164 728 430	3 224 556 106	8 372 034 797	2 061 341 742
(Loss)/profit attributable to:				
Non-controlling interests	171 862 678	201 830 367	332 654 850	81 812 170
Equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
	(1 729 850 574)	2 333 652 374	2 390 811 481	1 450 879 965
Total comprehensive income attributable to:				
Non-controlling interests	171 862 678	201 830 367	332 654 850	81 812 170
Equity holders of the parent	1 992 865 752	3 022 725 740	8 039 379 947	1 979 529 572
	2 164 728 430	3 224 556 107	8 372 034 797	2 061 341 742
Earnings per share				
Basic (cents)	3.1	(39.55)	42.80	28.47
Diluted (cents)	3.2	(39.55)	42.80	28.47
Headline (cents)	3.3	(53.14)	24.51	16.22

AUDITED ABRIDGED
FINANCIAL RESULTS

March 2023



AUDITED ABRIDGED CONSOLIDATED STATEMENT OF FINANCIAL POSITION

As at 31 March 2023

		INFLATION ADJUSTED AUDITED		HISTORICAL COST UNAUDITED	
		2023	2022	2023	2022
		ZWL	ZWL	ZWL	ZWL
Notes					
ASSETS					
Non-current assets					
Property, plant and equipment	4	10 452 358 601	6 106 562 805	8 665 683 215	1 629 165 737
Investment property	5	5 854 000 000	3 569 321 043	5 854 000 000	1 219 480 000
Investment in an associate		1 328 822 404	568 947 987	1 328 822 404	194 384 502
		17 635 181 005	10 244 831 835	15 848 505 619	3 043 030 239
Current assets					
Inventories		1 682 313 418	1 816 532 517	1 680 951 158	616 542 405
Trade and other receivables		2 650 154 933	1 253 318 618	2 650 154 933	428 203 844
Prepayments		1 703 792 043	1 611 535 826	1 672 517 234	519 791 075
Cash and cash equivalents		828 056 995	1 214 655 551	828 056 995	414 994 374
		6 864 317 389	5 896 042 512	6 831 680 320	1 979 531 698
Total assets		24 499 498 394	16 140 874 347	22 680 185 939	5 022 561 937
EQUITY AND LIABILITIES					
Equity attributable to equity holders of the parent					
Issued capital		64 265 555	64 265 555	480 866	480 866
Share premium		7 719 560 749	7 719 560 749	57 761 526	57 761 526
Non-distributable reserves		5 575 281 268	1 680 702 264	7 343 816 485	1 362 593 169
(Accumulated losses)/retained earnings		(1 421 359 270)	480 353 983	3 862 525 931	1 804 369 301
		11 937 748 302	9 944 882 551	11 264 584 808	3 225 204 862
Non-controlling interest		1 196 254 260	1 024 391 582	497 702 700	165 047 849
Total equity		13 134 002 562	10 969 274 133	11 762 287 508	3 390 252 711
Non-current liabilities					
Loans and borrowings		-	-	-	-
Deferred tax liability		1 787 337 923	1 485 549 485	1 345 671 769	372 947 828
		1 787 337 923	1 485 549 485	1 345 671 769	372 947 828
Current liabilities					
Payables and provisions		8 494 498 694	3 116 576 180	8 488 567 447	1 064 796 994
Short-term borrowings	6	759 002	2 221 540	759 002	759 002
Bank overdraft		912 369 472	-	912 369 472	-
Income tax payable		170 530 741	567 253 009	170 530 741	193 805 402
		9 578 157 909	3 686 050 729	9 572 226 662	1 259 361 398
		11 365 495 832	5 171 600 214	10 917 898 431	1 632 309 226
Total equity and liabilities		24 499 498 394	16 140 874 347	22 680 185 939	5 022 561 937

AUDITED ABRIDGED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the year ended 31 March 2023

INFLATION ADJUSTED AUDITED								
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT								
	Issued capital ZWL	Share premium ZWL	Non -distributable reserve ZWL	Equity component of compound financial instruments ZWL	Retained Earnings ZWL	Total ZWL	Non-controlling interests ZWL	Total equity ZWL
Balance as at 31 March 2021	64 265 555	7 719 560 749	789 798 531	13 921 010	(1 665 389 034)	6 922 156 811	822 561 215	7 744 718 026
Total comprehensive income	-	-	890 903 733	-	2 131 822 007	3 022 725 740	201 830 367	3 224 556 107
Profit for the year	-	-	-	-	2 131 822 007	2 131 822 007	201 830 367	2 333 652 374
Other comprehensive income	-	-	890 903 733	-	-	890 903 733	-	890 903 733
Derecognition of equity component of compound financial instrument	-	-	-	(13 921 010)	13 921 010	-	-	-
Balance as at 31 March 2022	64 265 555	7 719 560 749	1 680 702 264	-	480 353 983	9 944 882 551	1 024 391 582	10 969 274 133
Total comprehensive income	-	-	3 894 579 004	-	(1 901 713 253)	1 992 865 751	171 862 678	2 164 728 429
Profit for the year	-	-	-	-	(1 901 713 253)	(1 901 713 253)	171 862 678	(1 729 850 575)
Other comprehensive income	-	-	3 894 579 004	-	-	3 894 579 004	-	3 894 579 004
Balance as at 31 March 2023	64 265 555	7 719 560 749	5 575 281 268	-	(1 421 359 270)	11 937 748 302	1 196 254 260	13 134 002 562

HISTORICAL UNAUDITED								
ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT								
	Issued capital ZWL	Share premium ZWL	Non -distributable reserve ZWL	Equity component of compound financial instruments ZWL	Retained Earnings ZWL	Total ZWL	Non-controlling interests ZWL	Total equity ZWL
Balance as at 31 March 2021	480 866	57 761 526	761 638 552	99 792	425 694 554	1 245 675 290	83 235 679	1 328 910 969
Total comprehensive income	-	-	610 461 777	-	1 369 067 794	1 979 529 571	81 812 170	2 061 341 741
Profit for the year	-	-	-	-	1 369 067 794	1 369 067 794	81 812 170	1 450 879 964
Other comprehensive income	-	-	610 461 777	-	-	610 461 777	-	610 461 777
Reclassification of foreign currency reserves	-	-	(9 507 160)	-	9 507 160	-	-	-
Derecognition of equity component of compound financial instrument	-	-	-	(99 792)	99 792	-	-	-
Balance as at 31 March 2022	480 866	57 761 526	1 362 593 169	-	1 804 369 300	3 225 204 861	165 047 849	3 390 252 710
Total comprehensive income	-	-	5 981 223 316	-	2 058 156 631	8 039 379 947	332 654 851	8 372 034 798
Profit for the year	-	-	-	-	2 058 156 631	2 058 156 631	332 654 851	2 390 811 482
Other comprehensive income	-	-	5 981 223 316	-	-	5 981 223 316	-	5 981 223 316
Balance as at 31 March 2023	480 866	57 761 526	7 343 816 485	-	3 862 525 931	11 264 584 808	497 702 700	11 762 287 508



NOTES TO THE AUDITED ABRIDGED FINANCIAL STATEMENTS

for the year ended 31 March 2023

1BASIS OF PREPARATION

These abridged consolidated financial results were extracted from the full set of the inflation adjusted consolidated financial statements of StarAfrica Corporation Limited (the "Company") and its subsidiaries (together the "Group") which were prepared in accordance with International Financial Reporting Standards ("IFRS") except for the non-compliance with the International Accounting Standard("IAS")21- "The Effects of Changes in Foreign Exchange Rates", IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", and the consequent non compliance with IAS 29 "Financial Reporting in Hyperinflationary and Enconomies". The Group's functional and presentation currency is the Zimbabwe Dollar ("ZWL") rounded off to the nearest dollar. The Monetary Authorities introduced the ZWL as the transactional currency on 22 February 2019.

1.1Functional Currency

(a)Legacy currency issues

On 22 February 2019, the Government of Zimbabwe issued Statutory Instrument 33 of 2019 as an amendment to the Reserve Bank of Zimbabwe Act. It introduced a new currency called the Real Time Gross Settlement Dollar (now ZWL) and directed that all assets and liabilities that were in United States of America Dollars ("US\$") immediately before 22 February 2019 (with the exception of those referred to in Section 44C (2) of the Reserve Bank Act) be deemed to have been in ZWL at a rate of 1:1 to the US\$. The guidance issued by the Public Accountants and Auditors Board ("PAAB") notes that this is contrary to IAS 21 "The Effects of Changes in Foreign Exchange Rates". IAS 21 requires an entity to apply certain parameters to determine the functional currency for use in preparing financial statements. It also requires the exercise of judgements regarding exchange rates in circumstances where exchangeability through a legal and market exchange system is not achievable. The Group however adopted the RTGS dollar as the new functional and reporting currency with effect from 22 February at an interbank midrate of US\$1: ZWL \$2.5 in order to comply with Statutory Instrument 33. The interbank midrate was adopted as it was the only legal source of exchange rates which however, did not represent the fair value of the currencies. The Group therefore did not conform to the requirements of IAS 21.

The Group prepares financial statements with the aim to fully comply with International Financial Reporting Standards which comprise standards issued by the International Accounting Standards Board ("IASB") and interpretations developed and issued by the International Financial Reporting Interpretations Committee ("IFRIC"). Compliance with IFRS is intended to achieve consistency and comparability of financial statements. However, it has been impracticable to fully comply with IFRS in the current and prior year, due to the need to comply with local legislation, specifically Statutory Instrument 33 of 2019. The Directors are of the view that the requirement to comply with the Statutory Instrument has created inconsistencies with IAS 21 as well as with the principles embedded in the IFRS Conceptual Framework. This has resulted in the accounting treatment adopted in the 2019, 2020, 2021,2022 and 2023 financial statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS.

(b)Determination of functional currency.

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

Considering the developments summarised above and guidance from IAS 21, the Directors concluded that the Group's functional currency remains the Zimbabwe dollar as presented in the prior and current year financial statements and all values are rounded to the nearest ZWL except when otherwise indicated.

(c)Statement of Compliance

Because of the items detailed in the above currency paragraph, the inflation adjusted consolidated financial statements from which these abridged consolidated financial statements were extracted have not been prepared in conformity with the IFRS specifically IAS 21, promulgated by IASB. As such the Group has not complied with the Companies And Other Business Entities Act (Chapter 24:31) as it requires the financial statements to be prepared in the manner required by IFRS.

1.2Hyperinflation

These financial statements have been prepared under the inflation adjusted accounting basis in line with the provisions of IAS 29 - Financial Reporting in Hyperinflationary Economies. The PAAB pronounced on 11 October 2019 that the Zimbabwean economy was trading under hyperinflationary conditions. The Directors have applied the guidelines provided by the PAAB and accounting bodies and applied the hyperinflation accounting principles.

Inflation adjusted financial statements have been drawn up using the conversion factors derived from the consumer price index ("CPI") prepared by the Zimbabwe Central Statistical Office.

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

MARCH 2023			MARCH 2022		
Month	All Items CPI Indices	Conversion Factors	Month	All Items CPI Indices	Conversion Factors
March 2023	13,949.99	1.0000	March 2022	4,766.10	2.9269
February 2023	13,849.20	1.0073	February 2022	4,483.06	3.1117
January 2023	13,819.67	1.0094	January 2022	4,189.97	3.3294
December 2022	13,672.91	1.0203	December 2021	3,977.46	3.5073
November 2022	13,349.42	1.0450	November 2021	3,760.86	3.7093
October 2022	13,113.95	1.0638	October 2021	3,555.90	3.9231
September 2022	12,713.12	1.0973	September 2021	3,342.02	4.1741
August 2022	12,286.26	1.1354	August 2021	3,191.19	4.3714
July 2022	10,932.83	1.2760	July 2021	3,062.93	4.5545
June 2022	8,707.35	1.6021	June 2021	2,986.44	4.6711
May 2022	6,662.17	2.0939	May 2021	2,874.85	4.8524
April 2022	5,507.11	2.5331	April 2021	2,803.57	4.9758
March 2022	4,766.10	2.9269	March 2021	2,759.83	5.0547

All items recognised in the statement of profit or loss and other comprehensive income are restated by applying 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 before income tax in the statement of profit or loss and other comprehensive income. All amounts in the statement of cash flows were segregated into the respective months in which the cash flows actually occurred and the applicable monthly factor used to hyper-inflate the amount. Gain or losses on cash flows were included in non-cash items.

The historical cost information has been shown as supplementary information for the benefit of user. These are not required in terms of IAS 29 - Financial Reporting in Hyperinflationary Economies. The auditors have not expressed an opinion on the historical cost information.

NOTES TO THE AUDITED ABRIDGED FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2023

	INFLATION ADJUSTED AUDITED		HISTORICAL COST UNAUDITED	
	Group		Group	
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
2INCOME TAX				
Current year	81 323 527	835 595 964	81 323 527	285 486 386
Tax on foreign dividends	73 652 494	87 177 378	69 895 655	20 825 858
Deferred tax	(169 049 572)	(124 815 870)	8 563 451	(2 142 071)
	(14 073 551)	797 957 472	159 782 633	304 170 173
3EARNINGS PER SHARE				
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Net (loss)/profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	(2 058 156 631	1 369 067 795
	Number of shares		Number of shares	
Weighted average number of ordinary shares for basic and diluted earnings/(loss) per share	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL

3.1Basic earnings per share

(Loss)/profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Earnings per share (cents)	(39.55)	44.33	42.80	28.47

3.2Diluted earnings per share

(Loss)/profit attributable to equity holders of the parent	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Weighted average number of ordinary shares adjusted for the effect of dilution	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Earnings per share (cents)	(39.55)	44.33	42.80	28.47

3.3Headline earnings per share

Headline (loss)/earnings	(2 555 512 673)	1 178 442 998	(374 748 844)	779 752 894
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Headline earnings per share (cents)	(53.14)	24.51	(7.79)	16.22

3.4Reconciliation of earnings used in calculating headline earnings per share

(Loss)/profit attributable to equity holders of the Company	(1 901 713 252)	2 131 822 007	2 058 156 631	1 369 067 795
Adjusted for:				
Insurance proceeds	-	-	-	-
Fair value gain on investment properties	(2 594 756 918)	(1 131 665 088)	(4 740 460 000)	(737 220 000)
Gain on sale of property, plant and equipment	(158 557 533)	(366 664)	(354 122 942)	(233 770)
Exchange loss/(gain)	1 884 824 254	(134 412 202)	1 862 774 394	(45 376 864)
Adjusted earnings	(2 770 203 449)	865 378 053	(1 173 651 917)	586 237 161
Total tax effect on adjustments	214 690 777	(75 941 828)	798 903 073	40 756 317
Headline (loss)/earnings	(2 555 512 672)	789 436 225	(374 748 844)	626 993 478

4PROPERTY, PLANT AND EQUIPMENT

The Group carries land and buildings at fair value less accumulated depreciation and impairment, and the rest of property plant and equipment is carried at cost less accumulated depreciation and impairment. The revalued property consists of commercial stands, warehouses, residential and industrial buildings in Zimbabwe. Fair value of the properties was determined by using market comparable method and the implicit investment method.

At date of revaluation, 31 March 2023, the properties' fair values were determined by Dawn Properties Consultants (Private) Limited, an accredited independent valuer. The valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

INFLATION ADJUSTED	AUDITED					
	Land and buildings ZWL	Plant and machinery ZWL	Commercial vehicles ZWL	Passenger motor vehicles ZWL	Furniture and equipment ZWL	Total ZWL
Cost or valuation						
Balance at 1 April 2022	3 938 786 221	3 626 030 362	451 239	69 014 006	208 374 145	7 842 655 973
Additions	131 028 366	1 165 293 883	-	44 397 952	66 753 401	1 407 473 602
Disposals	-	-	-	(10 759 678)	-	(10 759 678)
Assets write off to profit or loss	-	(87 808)	-	-	(10 350 519)	(10 438 326)
Revaluation surplus	3 165 185 413	-	-	-	-	3 165 185 413
Balance at 31 March 2023	7 235 000 000	4 791 236 437	451 239	102 652 280	264 777 027	12 394 116 984
Accumulated depreciation						
Balance at 1 April 2022	-	1 643 310 476	451 239	11 338 766	80 992 687	1 736 093 168
Depreciation charge for the year	81 396 292	155 052 976	-	18 180 733	33 286 897	287 916 898
Depreciation reversal on revaluation	(81 396 292)	-	-	-	-	(81 396 292)
Disposals	-	-	-	(855 391)	-	(855 391)
Balance at 31 March 2023	-	1 798 363 452	451 239	28 664 108	114 279 584	1 941 758 383
Net book value						
31 March 2023	7 235 000 000	2 992 872 985	-	73 988 172	150 497 443	10 452 358 601
Net book value						
31 March 2022	3 938 786 221	1 982 719 886	-	57 675 240	127 381 458	6 106 562 805



NOTES TO THE AUDITED ABRIDGED FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2023

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PROPERTY, PLANT AND EQUIPMENT (continued)

HISTORICAL	UNAUDITED					
	Land and buildings ZWL	Plant and machinery ZWL	Commercial vehicles ZWL	Passenger motor vehicles ZWL	Furniture and equipment ZWL	Total ZWL
Cost or valuation						
Balance at 1 April 2022	1 345 710 000	262 532 781	3 376	15 021 588	26 906 241	1 650 173 986
Additions	89 739 188	1 098 854 137	-	38 306 135	54 394 142	1 281 293 602
Disposals	-	-	-	(6 509 963)	-	(6 509 963)
Assets write off to profit or loss	-	(30 000)	-	-	(3 536 317)	(3 566 317)
Revaluation surplus	5 799 550 812	-	-	-	-	5 799 550 812
Balance at 31 March 2023	7 235 000 000	1 361 356 918	3 376	46 817 760	77 764 066	8 720 942 120
Accumulated depreciation						
Balance at 1 April 2022	-	15 566 633	3 376	1 828 734	3 609 506	21 008 249
Depreciation charge for the year	27 049 920	16 256 884	-	6 585 350	11 736 295	61 628 449
Depreciation reversal on revaluation	(27 049 920)	-	-	-	-	(27 049 920)
Disposals	-	-	-	(327 873)	-	(327 873)
Balance at 31 March 2023	-	31 823 517	3 376	8 086 211	15 345 801	55 258 905
Net book value						
31 March 2023	7 235 000 000	1 329 533 401	-	38 731 549	62 418 265	8 665 683 215
Net book value						
31 March 2022	1 345 710 000	246 966 148	-	13 192 854	23 296 735	1 629 165 737

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INVESTMENT PROPERTY

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Balance at 1 April	3 569 321 043	2 437 655 955	1 219 480 000	482 260 000
Valuation gain on investment property	2 594 756 918	1 131 665 088	4 740 460 000	737 220 000
Disposal of investment property	(310 077 961)	-	(105 940 000)	-
Balance at 31 March	5 854 000 000	3 569 321 043	5 854 000 000	1 219 480 000

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Income and expenses relating to investment property				
Rental income	337 536 723	162 249 670	(297 056 510)	44 203 429
Direct operating costs incurred in generating the rental income	(41 855 172)	(13 071 478)	(35 757 751)	(3 535 147)

Fair value hierarchy

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

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Income and expenses relating to investment property				
Rental income	337 536 723	162 249 670	(297 056 510)	44 203 429
Direct operating costs incurred in generating the rental income	(41 855 172)	(13 071 478)	(35 757 751)	(3 535 147)

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Fair value measurement using significant unobservable inputs (Level 3)				
Commercial	5 657 000 000	3 463 454 328	5 657 000 000	1 183 310 000
Residential	197 000 000	105 866 715	197 000 000	36 170 000
Total	5 854 000 000	3 569 321 043	5 854 000 000	1 219 480 000

Valuation approach for investment property

Investment properties were valued by Dawn Property Consultancy (Private) Limited, an accredited independent valuer. Dawn Property Consultancy (Private) Limited is a specialist in valuing these types of investment properties. A valuation model in accordance with that recommended by the International Valuations Standards Committee has been applied.

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SHORT-TERM BORROWINGS

	2023 ZWL	2022 ZWL	2023 ZWL	2022 ZWL
Changes in interest-bearing loans and borrowings arising from financing activities				
Balance at 1 April	2 221 540	6 784 868	759 002	1 342 302
Interest charged	-	298 258	-	71 151
Loans paid	-	(3 256 410)	-	(654 451)
Monetary gain	(1 462 538)	(1 605 176)	-	-
Balance at 31 March	759 002	2 221 540	759 002	759 002

NOTES TO THE AUDITED ABRIDGED FINANCIAL STATEMENTS (continued)

for the year ended 31 March 2023

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GOING CONCERN

The Group's revenue has increased from ZWL 38.53 billion recorded last year to ZWL 50.14 billion in the current year largely due to increase in average sellingg prices to counter upward reviews on prices of the main raw materials. The volume sold was fairly the same as the Group sold 82,321 tonnes of granulated sugar as compared to 82,500 tonnes during the prior year. The Group has grown the net asset position to ZWL 13.13 billion, up from ZWL 10.97 billion in 2022. The Group continues to make significant progress in its plans to retool and refurbish the business and is on track to achieve the budgeted production and sales throughput of 65,000 tonnes for the 2024 financial year.

Demand for granular sugar and specialties in the market remains strong, which will ensure that all the produce of the Group in the foreseeable future will be absorbed into the local market. The plant continued to be certified by The Coca Cola Company ("TCCC") as well as Food Safety certification under the FSSC 22000 series. The certifications enable the Group to supply products to TCCC franchisees in the Southern Africa region and beyond. The Group also continues to hold DQS and ISO:9001 Certifications which will enable it to continue operating as a going concern into the future. The Group continues to invest in plant refurbishment with a view to boost capacity utilisation. In the financial year 2023, the Group incurred a total of US\$1,347,286 (ZWL1.41 billion) on capital equipment.

This equipment includes effluent treatment plant, product and coal weighers, a dust extraction system (white house and packing station), boiler and boiler chimney refurbishments, a 1000 KV stand-by generator, and extension of despatch bay shade structure. The Group continues to access foreign currency from the Reserve Bank of Zimbabwe Foreign Currency Auction Trading System which has played a pivotal role in providing foreign currency to fund the refurbishment drive of the business. These are expected to result in improved productivity and sales volumes into the foreseeable future. All key contracts with suppliers and customers remain in place and no cancellations are expected in the foreseeable future. The 2022/2023 farming season achieved high yields of sugar cane in Zimbabwe which are expected to augment the raw sugar supply situation in the country. The Company will source its primary raw material, raw sugar, from Zimbabwe Sugar Sales, backed up by embarking imports which will ensure an uninterrupted cost effective operations at the refinery.

The business will continue to assess and anticipate the full scale impact of the Statutory Instrument (SI) 80 of 2023 - Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 267). ""Management anticipates that the business will be able to generate positive cash flows into the future regardless of the implications of the SI 80 of 2023 which suspended import duty on importation of sugar. The ability of the Group to continue generating cash flows into the future has not been affected by these issues. As per the 2024 capital and financial expenditure budget, demand for StarAfrica products remains high both domestically and in the region which is expected to result in a total of ZWL5.3 billion in cash generated from operating activities for the full year of 2024. Management performed a scenario analysis and noted that, in the worst case scenario, brought about by the anticipated effects of SI 80 of 2023, the downside impact would still have the business earning positive cash flows to the tune of ZWL2.2 billion from operating activities. The business remains in a sound financial position with sufficient liquidity to settle its obligations as they fall due.

An impact assessment of the current and historical effects of SI 80 of 2023 minimal impact in the foreseeable future. Although this could threaten the business's market position and market share, it is conceivable that customers will find it difficult to import sugar from very competitive sources like Brazil and India in huge quantities, as this would require huge working capital outlays, and would also expose the imported sugar to high risk of contamination enroute to Zimbabwe. This SI will not create more competition from the COMESA region as sugar imports amongst COMESA countries do not attract duty payments. Therefore, it is presumed that the projected 65,000 tonnes of production and sales will be achieved in the year 2024.

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

Impact of the Russia-Ukraine Conflict

Global economic shocks arising from the Russia-Ukraine conflict triggered increases in grain and oil prices towards the end of 2022 financial year and beyond. This has had the direct effect of increasing costs of production across industry as oil price escalations have affected all businesses which rely on the transportation of raw materials or finished goods. The direct effect on StarAfrica, however, has not been significant, save for the downstream effect of price escalations on costs of raw materials, which suppliers have increased in varying degrees in response to these global shocks. None of the Directors have any links to Russia, which have caused, or are likely to cause, sanctions being imposed on those Directors or on the Company. The Russia-Ukraine conflict is not expected to have direct impact on the operations of StarAfrica Corporation Limited.

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EVENTS AFTER REPORTING DATE

Suspension of duty on importation of basic commodities.

On 12 May 2023, the Government promulgated Statutory Instrument (SI) 80 of 2023 titled Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 267), which suspended import duty on basic commodities, including brown and refined sugar.

Management assessed the impact of the SI 80 of 2023 and ascertained that although this could threaten the business's market position and market share, it is conceivable that customers will find it difficult to import sugar from very competitive sources like Brazil and India in huge quantities, as this would require huge working capital outlays, and would also expose the imported sugar to high risk of contamination enroute to Zimbabwe. This SI will not create more competition from the COMESA region as sugar imports amongst COMESA countries do not attract duty payments. Therefore, it is presumed that the projected 65,000 tonnes of production and sales will be achieved in the year 2024.

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AUDITOR'S STATEMENT

The Group's inflation adjusted financial statements from which these abridged results have been extracted have been audited by the Group's independent auditors, PricewaterhouseCoopers Chartered Accountants (Zimbabwe), who have issued an adverse audit opinion as a result of the impact of the following matters: non-compliance with International Accounting Standard ("IAS") 21, "The Effects of Changes in Foreign Exchange Rates" and International Accounting Standard 8, Accounting Policies, Changes in Accounting Estimates and Errors and the consequential impact on the inflation-adjusted amounts determined in terms of IAS 29. The independent auditor's report on the Group's inflation adjusted financial statements is available for inspection at the Company's registered office. The engagement partner for this audit is Mr. Clive K. Mukondiwa (PAAB Practising Certificate Number 0439).





Independent auditor's report

To the Shareholders of Starafrika Corporation Limited

Our adverse opinion

In our opinion, because of the significance of the matters discussed in the *Basis for adverse opinion* section of our report, the consolidated and separate financial statements do not present fairly the consolidated and separate financial position of Starafrika Corporation Limited (the "Company") and its subsidiaries (together the "Group") as at 31 March 2023, and its consolidated and separate financial performance and its consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

What we have audited

Starafrika Corporation Limited's consolidated and separate financial statements set out on pages 12 to 56 comprise:

- the consolidated and separate statements of financial position as at 31 March 2023;
- the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended;
- the consolidated and separate statements of changes in equity for the year then ended;
- the consolidated and separate statements of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

Basis for adverse opinion

An adverse opinion was issued on the consolidated and separate financial statements as at 31 March 2022, and for the year then ended, due to the use of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign denominated transactions and balances as required by International Accounting Standard ("IAS") 21, *'The Effects of Changes in Foreign Exchange Rates'* ("IAS 21"), the effects of the Group and Company's change in functional currency on 22 February 2019 which is not in compliance with IAS 21 which would have required a functional currency change on 1 October 2018, the inappropriate application of IAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'* ("IAS 8"), and the related consequential effects on the hyperinflationary adjustments made in terms of IAS 29, *'Financial Reporting in Hyperinflationary Economies'* ("IAS 29").

The opinion was further modified due to the impact of using United States of America dollar ("US\$") valuation inputs rather than local currency valuation inputs, and then translating the value so derived to Zimbabwean dollar ("ZWL") using the interbank foreign exchange rate as per the Foreign Exchange Auction Trading System of the Reserve Bank of Zimbabwe at the reporting date, when valuing investment property, and commercial land and buildings ("properties") included in consolidated property, plant and equipment as at 31 March 2021. Notwithstanding the fact that the spot rate applied as at 31 March 2021 was considered to meet the spot rate definition as per IAS 21, the application of a conversion rate to US\$ valuation inputs and a US\$ based valuation to calculate ZWL investment property, and commercial land and buildings values was not an accurate reflection of market dynamics as the risks associated with currency trading do not reflect the risks associated with investment property, and commercial land and buildings trading. As a result, the opening properties, revaluation reserve and retained earnings balances as at 1 April 2021 recognised in the consolidated statement of financial

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position, and the related fair value movements and depreciation recognised in the consolidated statement of profit or loss and other comprehensive income for the year ended 31 March 2022 are misstated as a result of the misstatement described above with respect to the valuation of properties in the prior year.

Our opinion on the consolidated and separate financial statements as at 31 March 2023, and for the year then ended, is modified because of the possible effects that these matters have on the current year consolidated and separate financial statements and the comparability of the current year's figures to that of the comparative period. These possible effects are outlined below.

The misstatements described in the paragraph above with respect to the application of IAS 21 affect the historical amounts which are used in the calculation of the inflation adjusted amounts. Had the Group and Company changed their functional currency in accordance with the requirements of IAS 21 and restated amounts retrospectively in accordance with the requirements of IAS 8, and then inflation adjusted in accordance with IAS 29 as at 31 March 2023, property, plant and equipment (excluding land and buildings at fair value), investment in subsidiaries, investment in associate and retained earnings in the consolidated and separate statements of financial position as at 31 March 2023, and the related depreciation and income tax movements within the consolidated and separate statements of profit or loss and other comprehensive income for the year then ended, would have been materially restated. It was not practicable to quantify the financial effects of these matters on the consolidated and separate financial statements for the year ended 31 March 2023.

The opening and closing retained earnings and non-distributable reserve balances in equity as at 1 April 2022 and 31 March 2023 recognised in the consolidated statement of changes in equity, and as at 31 March 2023 in the consolidated statement of financial position are misstated as a result of the misstatement of depreciation in prior years as described above with respect to the incorrect valuation of land and buildings included in property, plant and equipment balances as at 31 March 2021. It was not practicable to quantify the financial impact of this misstatement on the consolidated financial position as at 31 March 2023, and for the year then ended. This has also had an impact on the comparability of the current year's figures to that of the comparative period.

We conducted our audit in accordance with International Standards on Auditing ("ISAs"). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated and separate financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our adverse opinion.

Independence

We are independent of the Group and Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) (the "IESBA Code") issued by the International Ethics Standards Board for Accountants and other independence requirements applicable to performing audits of financial statements in Zimbabwe. We have fulfilled our other ethical responsibilities in accordance with the IESBA Code and other ethical requirements applicable to performing audits of financial statements in Zimbabwe.

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Our audit approach

Overview

	Overall group materiality Overall group materiality: ZWL501,371,680 which represents 1% of total revenue.
	Group audit scope <ul style="list-style-type: none"> • We conducted full scope audits of the financial information of the parent company and its two operating subsidiaries and performed specified procedures on the financial information of six non-operating subsidiaries.
	Key audit matters <ul style="list-style-type: none"> • Matters described in the basis for adverse opinion.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated and separate financial statements. In particular, we considered where the directors' subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters, consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit

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and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate, on the financial statements as a whole.

<i>Overall group materiality</i>	ZWL 501,371,680
<i>How we determined it</i>	1% of total revenue
<i>Rationale for the materiality benchmark applied</i>	<i>In prior years, profit before income tax was considered as the appropriate benchmark, however in the current year, revenue has been considered as the appropriate benchmark due to the volatility of profit before income tax.</i>

How we tailored our group audit scope

We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the consolidated financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current year. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. Other than the matters described in the *Basis for adverse opinion* section, we have determined that there are no additional key audit matters to be communicated in our report.

Other information

The directors are responsible for the other information. The other information comprises the information included in the document titled "StarAfrica Corporation Limited Annual Report 2023". The other information does not include the consolidated and the separate financial statements and our auditor's report thereon.

Our opinion on the consolidated and separate financial statements does not cover the other information and we do not express an audit opinion or any form of assurance conclusion thereon.

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. As described in the Basis for adverse opinion section above, the financial statements contain material misstatements with respect to the application of IAS 21 during the financial year ended 31 March 2019 when the Group and Company used of foreign currency exchange rates that were not considered to be appropriate spot rates for translation of foreign denominated transactions and balances and incorrectly accounted for the change in functional currency, and their consequential effects on the hyperinflationary adjustments made in terms of IAS 29 for all the financial year ends since 31 March 2019, as well as the impact of exchange rates used to convert US\$ valuation inputs to determine the ZWL fair value of properties as at 31 March 2020 and 31 March 2021.

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We have concluded that the other information is materially misstated for the same reasons, with respect to the amounts or other items in the other information affected by these matters.

Responsibilities of the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31), and for such internal control as the directors determine is necessary to enable the preparation of consolidated and separate financial statements that are free from material misstatement, whether due to fraud or error. In preparing the consolidated and separate financial statements, the directors are responsible for assessing the Group and the Company's abilities to continue as going concerns, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group and/or the Company or to cease operations, or have no realistic alternative but to do so.

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

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

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal controls 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 the Company's internal controls.
- 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 the Company's abilities to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and/or Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated and separate

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financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards. From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

A handwritten signature in blue ink, appearing to read 'Clive K. Mukondiwa'.

Clive K. Mukondiwa

Registered Public Auditor

Public Accountants and Auditors Board, Public Auditor Registration Number 0439

Institute of Chartered Accountants of Zimbabwe, Public Practice Certificate Number 253168

Partner for and on behalf of

PricewaterhouseCoopers Chartered Accountants (Zimbabwe)

7 November 2023

Harare, Zimbabwe

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