HIPPO VALLEY ESTATES LIMITED

2022 ANNUAL REPORT

a subsidiary of

TongaatHulett

Contents

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

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Directorate, Management and Administration

Directorate

		Board attendance (4 meetings)	Audit Committee attendance (7 meetings)	Remuneration and Nominations Committee attendance (3 meetings)	Risk Management Committee attendance (2 meetings)
C F Dube (appointed on 01.08.20 as an Independent Non-executive Director & 01.05.21 as Chair)^ #	Independent Non-executive Chairman	4	-	2	2
D L Marokane (resigned 30.04.21)	Non-executive Chairman	-	-	-	-
R D Aitken*	Non-executive Director	4	7	-	-
S Harvey^# (resigned on 01.12.21)	Non-executive Director	4	-	2	2
A Mhere#	Chief Executive Officer	3	-	-	2
L R Bruce* (resigned 17.09.21)	Independent Non-executive Director	2	3	-	-
T Masarakufa# (appointed on 01.04.22)	Group Finance Director	-	-	-	-
N Kudenga*	Independent Non-executive Director	4	7	-	-
J P Maposa^ (passed on 13.09.21)	Independent Non-executive Director	-	-	-	-
J G Hudson^ #	Non-executive Director	4	-	1	2
R J Moyo ^	Independent Non-executive Director	1	-	1	-
G Sweto ^ #	Independent Non-executive Director	4	-	3	-
R M Goetzsche *	Independent Non-executive Director	4	4	-	-
O H Manasah# (resigned 31.03.22)	Finance Director	4	-	-	2
R T Masawi# (appointed on 01.12.21)	Non-executive Director	1	-	-	1
N J J Mangwiza ^ (appointed on 01.04.22)	Independent Non-executive Director	-	-	-	-
D K Shinya* (appointed on 01.04.22)	Independent Non-executive Director	-	-	-	-

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

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
Corporate and Industry Affairs Executive	Dr D Garwe
Finance Reporting & Controls Executive	E Madziva
Finance Planning & Analysis Executive	S Mavende
Corporate Medical Officer	Dr T Mukwewa
Legal Counsel/ Company Secretary	P Kadembo

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

Company Secretary
Telephone : +263 231 231 5151/6
Mobile : +263 779 559 966
Email : hvecompanysecretary@tongaat.com

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
Beverley Court
100 Nelson Mandela Avenue
Harare

Consolidated Financial Summary

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000 Restated	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000 Restated
Revenue	30 107 757	28 930 605	22 676 207	12 854 238
Operating profit	6 256 281	4 883 228	9 986 722	6 178 180
Profit before tax	6 307 506	4 363 046	10 093 803	6 483 531
Profit for the year	4 094 300	2 969 383	7 419 692	4 814 503
Adjusted EBITDA*	3 134 828	6 115 437	3 052 855	3 607 825
Net cash generated from operations	742 835	5 543 222	421 451	2 301 566
Net cash (outflow) / inflow from operating activities	(47 563)	3 314 248	(77 926)	1 422 056
Capital expenditure	856 784	630 833	654 726	246 205
Net asset value	24 115 422	19 701 446	15 206 558	6 725 280
Tangible Net Asset Value	24 968 522	20 141 293	16 099 168	7 080 966
Market capitalization at year end	57 904 336	48 782 870	57 904 336	28 247 961
	ZWL cents	**ZWL cents**	**ZWL cents**	**ZWL cents**
Basic and diluted earnings per share	2 121	1 538	3 844	2 494
Net asset value per share	12 494	10 207	7 893	3 484
Tangible Net Asset Value per share	12 936	10 435	8 341	3 669
Price per share at year end	29 999	25 273	29 999	14 635

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

Statistical Summary

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

	2017/18	2018/19	2019/20	2020/21	2021/22
Total sugar production for the season (tons)	197 217	238 965	212 004	204 384	209 510
Molasses production (tons)	51 024	64 390	60 873	59 115	60 425
Total industry sugar sales (tons)	407 000	483 000	413 000	440 000	394 000
Local market	349 000	371 000	324 000	325 000	356 000
Export market	58 000	112 000	89 000	115 000	38 000
Hippo Valley Estates Sharing Ratio	50.3%	52.7%	48.0%	50.0%	53.2%
Sugar cane					
Area under cane at year end (hectares)					
Hippo Valley Estates	12 708	10 941	10 590	10 246	10 916
Private farmers	10 023	10 907	11 747	11 937	11 316
	22 731	**21 848**	**22 337**	**22 183**	**22 232**
Area harvested for milling during the year (hectares)					
Hippo Valley Estates	11 222	9 806	9 440	10 024	9 729
Private farmers	9 345	11 045	10 581	10 011	10 391
	20 567	**20 851**	**20 021**	**20 035**	**20 120**
Sugar cane harvested for milling (tons)					
Hippo Valley Estates	875 305	1 068 164	1 008 870	1 043 774	897 334
Private farmers	659 100	730 039	687 472	592 722	768 804
Diversions from Triangle and Green fuel	-	63 829	-	55 439	26 065
Total cane milled at Hippo Valley Estates	**1 534 405**	**1 862 032**	**1 696 342**	**1 691 935**	**1 692 203**
Sugar cane yield per hectare (tons)					
Hippo Valley Estates	78.00	108.93	106.87	104.12	92.23
Private farmers	70.60	67.80	69.00	59.00	74.10
Mill performance					
Season started	30-May-17	08-May-18	07-May-19	05-May-20	04-April-21
Season completed	16-Dec-17	29-Dec-18	18-Dec-19	30-Dec-20	15-Dec-21
Number of crushing days	200	235	225	239	239
Throughput - tons cane per hour	336.14	419.22	335.76	330.95	320.83
Extraction (%)	97.06	96.49	96.84	96.27	96.43
Boiling house recovery (%)	90.85	90.48	90.40	90.58	90.25
Overall recovery (%)	88.18	87.30	87.54	87.20	87.03
Cane to sugar ratio	7.8	7.8	8.0	8.3	8.1

CHAIRMAN'S STATEMENT AND CHIEF EXECUTIVE'S REVIEW FOR YEAR ENDED 31 MARCH 2022

SALIENT FEATURES

	INFLATION ADJUSTED			HISTORICAL COST		
	Year ended 31.03.22	Year ended 31.03.21	Percentage Change	Year ended 31.03.22	Year ended 31.03.21	Percentage Change
Sugar production (tons)	209 510	204 384	↑ 3%	209 510	204 384	↑ 3%
Total industry sugar sales (tons)	394 000	440 000	↓ 10%	394 000	440 000	↓ 10%
Hippo share of industry sugar (%)	53.20%	50.00%	↑ 3%	53.20%	50.00%	↑ 3%
Revenue (ZWL'000)	30 107 757	28 930 605	↑ 4%	22 676 207	12 854 238	↑ 76%
Operating profit (ZWL'000)	6 256 281	4 833 228	↑ 29%	9 986 722	6 178 180	↑ 62%
Adjusted EBITDA* (ZWL'000)	3 134 828	6 115 437	↓ 49%	3 052 855	3 607 825	↓ 15%
Profit for the period (ZWL'000)	4 094 300	2 969 383	↑ 38%	7 419 692	4 814 503	↑ 54%

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

Operating Environment
Despite the relative slowdown in annual inflation from 241% in March 2021 to 72.7% in March 2022, the economic environment remains volatile and hyperinflationary. The Zimbabwe Dollar (ZWL) suffered a 69% depreciation on the Foreign Currency Auction System (FCAS) during the period under review. The increased volatility of the exchange rate towards the end of the period under review has made the operating environment challenging. The Company (Hippo Valley Estates Limited) continues however, to pursue value preservation strategies in the hyperinflationary environment. Unemployment remains high, with the bulk of the population managing on the back of informal businesses and agricultural projects. While efforts continue to be made to liberalise the currency regime to ease liquidity challenges and inflation gradually, policy uncertainty and the impact of capital controls continue to hamper economic turnaround.

COVID-19 Update
Over the past 3 months, cases from the Omicron-driven 4th wave have continued to decline globally. This trend has been mirrored within the Company's operations. Mid-way through 2021, the Company, in a Public-Private Partnership, embraced vaccination as key in management of the COVID-19 pandemic. This program has been extremely successful and as at 15th May 2022, over 99% of the workforce had been vaccinated. This is ahead of the rest of Zimbabwe generally, where less than 50% of the population is vaccinated. The easing of lockdown restrictions and increased business hours in response to decline in COVID-19 cases is expected to continue aiding economic recovery efforts.

Operations

Cane and sugar production (tons) for the year ended 31 March 2022

	2022	2021	% Change
Tons cane harvested - Company	897 334	1 043 774	-14%
Tons cane harvested – Private farmers	768 804	592 722	+30%
Other third-party cane	26 065	55 439	-53%
Total tons cane milled – Company	**1 692 203**	**1 691 935**	**+0%**
Tons sugar produced – Company	**209 510**	**204 384**	**+3%**
Tons sugar produced - Industry Total	**390 415**	**408 260**	**-4%**

Cane deliveries from the Company's plantations (miller-cum-planter) decreased by 14% from prior year. This was mainly due to lower yields that emanated from a combination of yellow sugarcane aphid infestations and water logging of soils induced by incessant rains received between December 2020 and March 2021 that adversely impacted crop development.

In addition to this, early start-up of the milling season in April 2021 resulted in crushing of younger cane occasioned by a strategic decision to reposition the milling season so as to maximise growing and milling efficiencies in future seasons. Private farmer deliveries improved by 31% due to an increase in area harvested largely attributable to new developed area under the Kilimanjaro project and 'carry-over' cane from the previous season. Overall, total cane milled was in line with prior year, as the drop in miller-cum-planter was offset by private-farmer deliveries. Sugar produced by the Company increased by 3% due to better cane quality and favourable mill efficiencies. The requisite off-crop maintenance work was satisfactorily carried out from December until start-up of crushing season in May 2022 thereby positioning the mill for improved performance in the 2022/23 production year.

Marketing Performance

The Zimbabwe sugar industry has a single marketing desk at brown sugar level, administered by Zimbabwe Sugar Sales (Private) Limited (ZSS). The Company’s share of total industry sugar sales volume of 394 000 tons (2021: 440 000 tons) for the year ended 31 March 2022 was 53.2% (2021: 50.0%). Total industry sugar sales into the domestic market for the year at 356 000 tons (2021: 325 000 tons) were 10% higher than prior year, driven by strong domestic demand. Industry export sales however, decreased by 67% to 38 000 tons (2021: 115 000 tons) following redirection of supply to the local market in view of the increased demand. Price realisations on the local market also remained firm in current purchasing power terms. While local market USD sales were firm at the beginning of the year, these subsequently slowed down owing to limited availability of foreign currency within the economy. Management continues to align local prices to changes in cost structures where possible.

Financial Results

The financial results of the Group and Company have been inflation adjusted to comply with the requirements of IAS 29 Financial Reporting in Hyperinflationary Economies ('IAS 29'). As such, the commentary on financial performance is based on inflation adjusted financial results except for revenue, operating profit and adjusted EBITDA where commentary is based on both historical and inflation adjusted financial results. Historical figures are included as supplementary information alongside the inflation adjusted financial results to enhance comprehension and analysis. In complying with the requirements of IAS 29 and IAS 21: The effects of Changes in Foreign Currency Rates, 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 statements. As such, the Directors would like to advise users to exercise caution in the use of these inflation adjusted financial statements in relation to the reporting currency and conversion to comparative currencies.

In historical terms, revenue recorded a 76% increment to ZWL22,7 billion(2021:ZWL12,9 billion) driven by positive market and product mix. Operating profit improved by 62% from ZWL6,2 billion to ZWL10,0 billion. Adjusted EBITDA receded by 15% from ZWL3,6 billion to ZWL3,1 billion, weighed down mainly by raw material costs and currency dynamics. The increase in raw material costs was driven by global commodity price increments compounded by the conflict between Russia and Ukraine. The change in mix of cane supply emanating from increased deliveries from private farmers also contributed to increased operating costs, as private farmer associated costs are relatively high.

Inflation adjusted revenue increased by 4% to ZWL30,1 billion (2021: ZWL28,9 billion), furthermore, operating profit and profit for the period increased by 29% to ZWL6,3 billion (2021: ZWL4,8 billion) and by 38% to ZWL4,1 billion (2021: ZWL3,0 billion) respectively. Adjusted EBITDA decreased by 49% to ZWL3,1 billion (2021: ZWL6,1 billion) owing mainly to the currency dynamics embedded in the Consumer Price Indices.

Net cash outflow from operating activities was ZWL0,05 billion, compared to prior year net cash inflow of ZWL3,3 billion occasioned by decreased EBITDA. Capital expenditure was ZWL857 million (2021: ZWL631 million) out of which ZWL312 million (2021: ZWL389 million) was for root replanting. As a result of the decreased EBITDA, the Company had a net borrowing position of ZWL457 million at 31 March 2022 compared to a net cash balance of ZWL1,5 billion in prior year.

Dividend

The Board declared and paid an interim dividend of ZWL108 cents per share during the year ended 31 March 2022. 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 2022.

Environmental, Social & Governance

A total of 7 (2021: 4) Lost Time Injuries were recorded during the year, and a Lost Time Injury Frequency Rate of 0,063 (2021: 0,036). Regrettably, the Company witnessed 1 fatality (2021: nil) following an animal attack during an anti-poaching exercise in Mteri Game Park. This resulted in restructuring of the Game Park in order to ensure a better equipped anti-poaching unit. The year also saw resumption of certain activities that had been put on hold due to COVID restrictions, as such several measures are being put in place to re-conscientise employees on safe work behaviour in response to this and the relatively unsatisfactory safety performance recorded.

During the year under review, the Company was however recognized and awarded as one of the top 100 Sustainable and Responsible businesses in the nation for its sustainability initiatives that continue to benefit not only the employees, but the communities around it. The Company is at an advanced stage of acquiring FSSC 22000 certification for its main production line of SunSweet brown sugar. To date, the system has been fully documented and verified through internal audits.

The Company continues to make efforts to strengthen its corporate governance and inculcate a culture of integrity and ethics daily in line with one of its key values. During the year, several audit findings were closed and new policies and procedures were introduced in order to enhance the control environment.

Projects and initiatives

Hippo Valley Estates Limited, in partnership with sister company Triangle Limited, Government and banks continue to progress the cane expansion project, Project Kilimanjaro. Government has since allocated 700ha of the developed sections of the 4 000ha Kilimanjaro Project to 41 new beneficiaries as part of the economic empowerment and social transformation process. Harvesting of the 562 ha fully planted is in progress with a yield of 121 tonnes cane per hectare having been realised to date, whilst the balance of 138ha is currently being planted to complete the Empowerment Block. Development on the remaining 3 300ha (of which 1931ha are fully bush cleared, land preparations and other infrastructure substantially progressed) remain on hold pending resolution of tenure issues relating to this block, which are being progressed with Government, further to which appropriate funding mechanisms will be put in place.

In order to further contribute to socio-economic transformation and to facilitate inclusion of more local farmers in the sugar value chain, the Company together with Triangle Limited, is actively assisting new farmers who have been allocated virgin land with clear water rights and in areas close to the mills, with technical and commercial feasibility studies, mobilization of funding and where required actual development of the land to sugarcane on a full cost recovery basis. Good progress has been made with respect to the development of 1 168ha of Pezulu Project with one local bank having availed US$5,2million (about 50% of the total development cost) with other banks indicating a willingness to fund the balance.

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 2022/23 milling season. The arbitration is at an advanced stage, with anticipation of concluding the process within the current milling season.

The inputs and extension support to private farmers is ongoing. The Company continues to implement various vertical and horizontal sugarcane growth programs. A partnership framework whereby Tongaat Hulett Zimbabwe is co-managing certain underperforming out-grower farms is progressing satisfactorily. To date, 61 farmers have volunteered to partner with the Company in the co-management arrangement. Under the co-management framework some 593ha have been ploughed out and replanted to new roots.

Land tenure

Further to the previous update on progress with regard to land tenure, the Company is pleased to advise that as at 30 June 2022, the Minister of Lands, Agriculture, Fisheries, Water and Rural Development (Ministry) had initiated the process for the issuance of 99-year leases with 3 lease blocks (out of a total of 8 lease blocks) issued in respect of Hippo Valley North. In consultation with the Ministry, the Company has requested certain changes to be effected on the lease documents, a process now being undertaken by Government Attorneys. The Minister has assured the Company that the balance of leases will be signed once the review of the 99-year lease document has been completed. The Company is appreciative of the continued support it is getting from Government on this matter.

Directorate

During the period under review James Pasipano Maposa, a long-serving and dedicated independent Non-Executive Director, passed away. The board wishes to express its condolences to James Pasipano Maposa's family and also gratitude for the time served. Further, Lennox Bruce retired and Simon Harvey and Owen Hopelife Manasah 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 new independent Non-Executive Directors Nyasha Jill Jacqueline Mangwiza and Dudizile Kereditse Shinya, a new Non-Executive Director Tendai Masawi and a new Finance Director, Tapera Masarakufa. The Board will seek ratification of these appointments at the forthcoming Annual General Meeting.

Outlook

With Tugwi-Mukosi and Mtirikwi Dams close to full capacity, the industry is set to accelerate opportunities for horizontal expansion with new sugarcane projects, feeding off this robust water system, mainly for the benefit of new farmers who are keen to supply the cane to the mills. Water supply to the Mkwasine out-growers is however currently constrained on account of challenges on the Siya-Manjirenji system, with ongoing work to attend to the issue. The industry is also working closely with the Zimbabwe National Water Authority to enhance the industry water conveyancing infrastructure, to cope with the increasing farming and irrigation activities in the Lowveld. Significant improvements in yields on existing farms are expected in coming years at the back of continued technical support being extended to the farmers by the Company and the Zimbabwe Sugarcane Experiment and Research Station (ZSAES) in replant programs, introduction of new varieties, focus on best farming practices and mechanization. The resultant increase in cane supply to the mills should improve operating efficiencies and cost competitiveness. The current crop is projected to yield more than the prior season following improved irrigation regimes, repairs to pumping installations and proactive initiatives to contain the yellow sugar cane aphid discovered in the region.

Although local demand for sugar remains strong as industry recovers from the impacts of COVID-19, the sugar industry is engaging authorities to ensure an even competitive playing field against cheap imports of sugar originating from surplus producers who enjoy duty protection in their host countries.

This is also in an attempt to safeguard the health of the local population as some of the sugar imported is not Vitamin A fortified, as required by law. The substantial off-crop maintenance programme has been successfully completed and the mills have started the new season well with focus being on increasing production and capitalising on efficiencies.

Operating and trading conditions are likely to remain challenging in the current milling season, with farmers and millers contending with high cost pressures on account of both local and global inflationary dynamics, exchange rate volatilities, high cost of funding and supply chain bottlenecks, resulting in pricing of local products difficultly, in the short to medium term. Procurement strategies for key raw materials have been enhanced and the Company anticipates being able to secure the critical inputs required for operations. It is also pleasing to note that Government is open to engagements with the industry on the key issues of duty-free imports of sugar and appropriate pricing models to ensure that the industry remains viable whilst protecting consumers.

By Order of the Board

C F Dube
Chairman

A Mhere
Chief Executive Officer

25 August 2022

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

COVID-19

Global Context

It's been more than two years since COVID-19 disrupted life around the world. The COVID-19 pandemic was officially proclaimed on 11 March 2020. While the pandemic initially affected the developed world, it rapidly spread globally. By the 31st March 2021 it had caused 130 million infections and 2,9 million deaths globally. A year later that number was a staggering 489 million infections and 6,2 million deaths. That sharp rise followed two huge waves driven by progressively more transmissible mutations of the virus, with the first mutation (Delta variant) causing more severe illness and death than the latter (Omicron variant).

Initial control measures including social distancing, wearing masks, sanitizing, improving ventilation, and quarantining those who had been exposed or were symptomatic had a questionable effect in controlling or slowing the pandemic. For the first two years of the pandemic, no specific and effective treatment or cure was available. Treatments including monoclonal antibodies and novel antiviral drugs were developed and approved to treat adult patients late in 2021. However the demand and cost basically limited availability to the most affluent of communities.

One of the greatest scientific achievements of the pandemic has been the speed of the development of several safe and effective COVID-19 vaccines. Robust data continues to show that COVID-19 vaccines are very effective at preventing people from getting seriously ill and dying despite the various mutations that have been seen. Misinformation circulated through social and mass media created suspicion and prevented widespread acceptance of the vaccine roll-out. Furthermore, difficulty in accessing vaccines in the developed world coupled with hoarding of vaccines by wealthier nations raised issues of racial and geographic discrimination and health inequity.

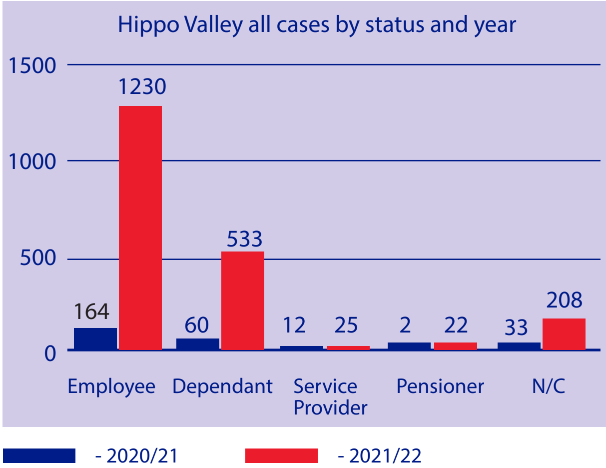
By November 2021, almost half of the developed world had received at least one vaccine dose. Owing to vaccine inequity, WHO predicted that only five African nations would manage to fully inoculate 40% of their populations against COVID-19 by the end of the year 2021 — a global goal set by the World Health Assembly.

COVID-19 in Zimbabwe and Hippo Valley Estates Limited

In Zimbabwe as at 30th March 2021, a total of 36 665 cases and 1 553 deaths had been reported. A year later (31st March 2022) this had increased to 243 323 cases and 5 407 deaths.

For Hippo Valley Estates, 271 cases had been reported by the 30th March 2021, with the bulk of cases being detected during the second wave between December 2020 and February 2021.

The ensuing third and fourth waves had a similar impact on the Hippo Valley Estates community as the global trend. By end of March 2022, Hippo Valley Estates had recorded 2 018 cases and 11 deaths.

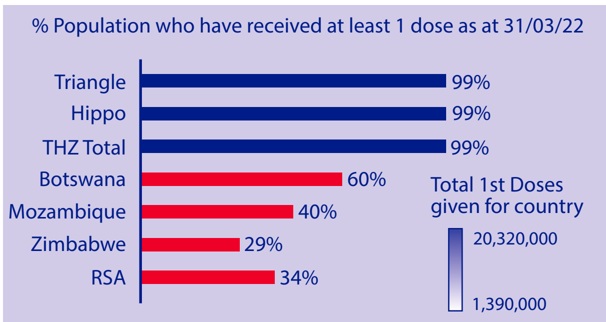


Vaccinations

Early in 2021 Zimbabwe received donations of vaccines from China, India, and Russia. Emergency use authorization was issued solely for these vaccines with all private procurement of these vaccines only available through the Government of Zimbabwe.

Despite the limited availability of vaccines, Tongaat Hulett Zimbabwe (Hippo Valley Estates Limited and Triangle Limited) committed to vaccinate all willing employees and their families. Through a private sector facility availed by Government, Tongaat Hulett Zimbabwe (THZ) managed to procure an initial 10 000 doses of SINOVAC at a cost of ZWL11 511 750. The purchase of these doses was split equally between Hippo Valley Estates and Triangle Limited.

As part of Zimbabwe Government's strategy of ensuring continuity of essential services and having all essential service staff vaccinated, the Government availed additional doses to complete the employee vaccination and ensure business continuity. This enabled THZ to achieve vaccination levels way above that of the country and the region.



THZ 2021 Vaccination drive in pictures

The THZ employee COVID-19 Vaccination programme was officially launched by the CEO and TH Sugar MD at Hippo Valley Estates.






TH Sugar MD (Simon Harvey) and CEO (Aiden Mhere) receive their COVID Vaccinations as part of the programme launch. Several other executives led from the front and this gave employees the confidence to follow suit.

Gender equity

In terms of Gender Diversity for the year, Hippo was on 14% for all categories and 25% at professional and technical levels (C Band). For managerial employees, the company achieved 14% gender equity against a target of 17%. Efforts to improve gender equity at all levels are ongoing.

Employee welfare and wellness

The outcome of the Employee Engagement Survey was 61% for 2021 and 66% for 2022. The matters of concern, with lowest scores in 2021/22 were to do with the following: -

- Employee motivation and/or satisfaction;
- Ethical fitness involving telling the truth, application of double standards and not addressing employee concerns timeously.

Subsequent engagement with employees was done to provide feedback and where necessary to get more information to enable the development of a robust corrective action plan.

Occupational Health Risk Management

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

There was no occupational health related fatality nor were there any occupational health cases with irreversible health effects during the financial year ended 31 March 2022.

Safety Performance

A total of 7 (2021: 4) Lost Time Injuries were recorded during the year, resulting in a Lost Time Injury Frequency Rate of 0.063 (2021: 0.036).

Regrettably, Hippo recorded 1 work related fatality (2021:nil) during the year.

Managing Risk Associated with Water Bodies and Wildlife

The Company operations are largely agro-based with associated water bodies, thereby presenting risk of drowning, human attack by dangerous aquatic animals and snake bites. To manage these risks, a number of risk awareness campaigns were conducted during the year across operations, including the surrounding communities. Danger warning signage are in place in key high-risk areas such as main water canals, dams and game parks. The Company also erected 20.8km of game fence to minimize wildlife-human interaction.

A game fence to minimize wildlife-human interaction

A total of 43 X 10 000 liters tanks were installed in villages at a cost of US$75 456. This has increased portable water availability especially when there is no power at the water treatment plants and also reduced the use of unsafe water resources. The use of unsafe water resources like irrigation canals, dams and open drains exposed villagers to risk of drowning and exposure to waterborne diseases.

Managing Risk Associated with Water Bodies and Wildlife

Managing Risk Associated with Interaction with Third Parties

The Company operations interact with a number of outgrower farmers, who produce and deliver cane to the Mill. To manage the risks associated with interaction with farmers, and thus pro-actively prevent incidents, the operation embarked on a farmer engagement process, where farmers were trained on basic, Safety Health and Environment management practices.

Managing Risk Associated with Interaction with Third Parties

Managing Risk Associated with Lightning

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

To further protect employees, 69 lightning shelters required across the Estates had been commissioned before the onset of the 2020/21 rainy season.

A typical emergency lightning shelter near cane fields

SHE Management Systems Certification

Hippo Valley Estates' Safety Health Environment management system was subjected to ISO14001:2015 and ISO45001:2018 audits, which was done by Standard Association of Zimbabwe. The operation processes were divided into three audit scopes, namely Agriculture, Manufacturing and Services scopes.

ENVIRONMENTAL MANAGEMENT

Waste Management

In the year ended 31 March 2022, Hippo Valley Estates generated a total of 1 950 tons (2021: 1 251 tons) of waste material (excluding boiler ash and maila). Of this total, about 48.40% (2021:26.56%) was recycled or re-used. The increase in the proportion of recycled waste is largely attributed to increase in scrap metals that were sold for recycling.

Energy Management

During the 2021/22 financial year, in line with new regulatory requirements to reduce the total amount of electricity from traditional sources in particular thermal and thus reduce its carbon footprint, Hippo Valley Estates replaced 22 electrically powered geysers with solar powered geysers.

Replacing electric geysers with solar geysers

In addition to these, a total of 5 pump units were replaced with new pump units equipped with Variable Speed Drives (VSDs). This will not only increase the yield in sugarcane due to increased water availability but also reduce operational costs and increase efficiency in power usage causing energy savings.

Bio-Diversity

As part of the climate change mitigation strategy, a total of 6 106 (2021: 4 625) tree seedlings were planted in and around the Hippo Valley Estates during the 2021/22 tree planting season. All the planted trees will act as a carbon sink and thus contribute to the climate change effort. Donations of tree seedlings are periodically made to surrounding communities and schools with elaborate awareness campaigns on the importance of trees held during National and World Tree Planting Days. To eliminate the traditional use of firewood by employees, the Company provides employees with LPG (Liquified Petroleum Gas) cooking units and 120 tonnes of LPG for domestic use during the year.

To enhance proper management of its wildlife and bio-diversity under Mteri Game Park, the Company entered into a Management Service agreement with a third party operator, Magnum Alley (Pvt) Ltd over an initial five (5) year period. This followed a number of incidents involving human and wildlife conflict including loss of life as well as rampant poaching of wildlife including fish in the Mteri dam. The Operator (Magnum) has vast experience in wildlife management which is expected to benefit the Company as well as promote existence of wildlife.

LPG cooking units issued to employees

FOOD SAFETY MANAGEMENT SYSTEM

Food Safety and Quality Performance

A total of 9 incidents and customer complaints have been recorded to date. The impact of storage conditions, packing operations efficiencies and a reduction in/reducing in transportation incidents continues to be the focus of management effort. Various programs have been introduced to improve performance including changes in packing material, monitoring of product waste and opportunity cost, and improved quality assurance standards for key suppliers.

Compliance to Customer Requirements

The company maintained continuous engagement with key industrial customers including annual second party audits and site visit by customers following the relaxation of COVID travelling restrictions. In collaboration with the marketing function the mills and the packing station continues to meet food import requirements in regional markets in Kenya, Botswana, Burundi and Namibia.

Improvement Projects

The Company is at an advanced stage in acquiring FSSC 22000 certification for its main production line of SunSweet brown sugar. So far, the system has been fully documented and verified through internal audits.

More than ZWL29 million has been invested at Hippo Valley mills and packing stations in annual infrastructure and equipment improvement projects to uplift the existing operating facilities. Notable achievements include the installation of epoxy floors, factory enclosure of the SunSweet sugar bagging station upgrades at the mill and phased road paving at the packing stations and ground refurbishments to suppress dust pollution during transportation of sugar.

Epoxy floor at Hippo Valley Mill.

Paved road to Hippo Valley Packing Station.


Greening of Hippo Valley Estates Mill grounds

Socioeconomic Empowerment of Local Communities

Public Private Partnership with Zimbabwe Republic Police (ZRP)

Hippo Valley Estates, together with Triangle Limited, entered into a Public Private Partnership with the ZRP which is an infrastructure development project to provide office space to some 60 officers who are currently occupying in a makeshift building. Twelve offices with ablution facilities are being constructed.


Public Private Partnership with Zimbabwe Republic Police

Directors' responsibilities in relation to financial statements

In terms of the Companies and Other Business Entities Act (Chapter 24:31), the Directors are responsible for ensuring that the Company keeps adequate accounting records and prepares financial statements that fairly present the financial position, results of operations and cash flows of the Company and that these are in accordance with International Financial Reporting Standards (IFRS). In preparing the accompanying financial statements, the Directors have complied with all the requirements of IFRS, the Companies and Other Business Entities Act (Chapter 24:31). The financial statements are the responsibility of the Directors and it is the responsibility of the Independent Auditors to express an opinion on them, based on their audit.

In preparing the financial statements, the Company has used appropriate accounting policies consistently supported by reasonable and prudent judgements and estimates and has complied with all applicable accounting standards. The Directors are of the opinion that the financial statements fairly present the financial position and the financial performance of the Company as at 31 March 2022.

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

Board of Directors

The Board has an appropriate Board charter, and the necessary policies and terms of reference of its Committees are in place and approved by the Board to ensure that its role, responsibilities, membership requirements and procedural conduct are documented in a charter that is regularly reviewed to guide its effective functioning.

The Company has a unitary Board that comprises an Independent Non-executive Chairman, two executive, four non-executive and six independent non-executive Directors. All the Directors bring to the Board a wide range of expertise as well as significant professional and commercial experience and in the case of independent non-executive Directors, independent perspectives and judgement.

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 as a whole after considering recommendations from the Remuneration and Nominations Committee.

All Directors have access to the advice and services of the Company Secretary.

Directorate Changes

During the year, new Directors were appointed to bring further skills, experience, diversity, gender balance and independence for the Board to effectively discharge its governance role. The Board appointed two new independent Non-Executive Directors Nyasha Jill Jacqueline Mangwiza and Duduzile Kereditse Shinya, a new Finance Director, Tapera Masarakufa and a non-executive director Tendai Masawi.

James Pasipano Maposa, a long serving and dedicated independent Non-Executive Director, passed away during the year. Further, Lennox Bruce retired and Simon Harvey and Owen Hopelife Manasah resigned from the Board. The Board is grateful for their valuable contribution during their tenure and wish them well in their future endeavours.

Retirement of Directors

All Directors with the exception of the Chief Executive Officer are subject to retirement by rotation and re-election by shareholders at least once every three years in accordance with the Company's Articles of Association. Messrs John Gavin Hudson, Ngoni Kudenga, Godwin Sweto and Rutenhuro James Moyo retire by rotation in terms of Article 100 of the Articles of Association. Messrs John Gavin Hudson, Godwin Sweto and Rutenhuro James Moyo being eligible, offer themselves for re-election.

Risk Management Committee

The Committee was established in June 2021 and is comprised of two independent non-executive Directors, two non-executive Directors and two executive Directors. The Committee is chaired by an independent non-executive Director.

The Board has direct responsibility for the governance of risk and approves the company's Risk policy that gives effect to its set direction on risk. In addition, it approves the terms of reference of the Risk Management Committee that 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. 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.

Remuneration and Nominations Committee

The Remuneration and Nominations Committee consists of three independent Non-Executive Directors, including its Chairman and one Non-Executive Director. The Committee is responsible for assisting the Board in fulfilling its corporate governance responsibilities which include review of the remuneration structure and policy, making recommendations to the Board on the composition of the Board and Board Committees. During the year, the Committee ensured that the performance of Board and Board Committees were evaluated for the first time and the evaluation will be extended to individual Directors and the Board Chairman.

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 were necessary.

During the year the Committee formulated a Director Nomination policy to outline procedures and criteria for appointment of Directors to the Board.

Audit Committee

The Audit Committee is comprised of two independent Non-Executive Directors, including its Chairman and two Non-Executive Directors.

The Committee 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 has been outsourced.

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 19 to 20.

Stakeholder Management Committee

The Board established an ad hoc Committee for Stakeholder Management in March 2022, having noted that there is a broad spectrum of stakeholders of strategic significance which management is dealing with. 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.

Corporate Governance and Ethics

The Company adopted the National Code of Corporate Governance in Zimbabwe. The Company will also continue to review and align its corporate governance instruments with the Companies and Other Business Entities Act (24:31), SI 134 of 2019 Securities and Exchange (Zimbabwe Stock Exchange Listing Requirements) Rules 2019.

The Company is also committed to promoting the highest standards of ethical behaviour amongst all its employees. All employees are required to maintain the highest ethical standards in ensuring that Company's business practices are conducted in a manner which, in all reasonable circumstances, is above reproach and introduced a standalone Conflict of Interest Policy. All employees are aware of the external Whistleblower hotline system subscribed to by the Company in line with the Whistleblower Policy approved by the Board during the year.

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.

P Kadembo
Company Secretary
25 August 2022

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 21 to 26. These financial statements are prepared in accordance with International Financial Reporting Standards (IFRS), the provisions of the Zimbabwe Companies and Other Business Entities Act (Chapter 24.03), 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 2023 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 27 to 96 were approved by the Board of Directors on 25 August 2022 and signed on its behalf by:

C F Dube
Chairman

A Mhere
Chief Executive Officer

25 August 2022

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 2022. The Group and Company's Independent Auditors, Enrst & Young, have audited the financial statements and their report appears on pages 21 to 26.

Share capital and reserves

During the year there was no change in the authorised and issued share capital of the Company. At 31 March 2022 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	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Balance at the beginning of the year	(226 386)	(230 583)	209 594	78 748
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	(22 739)	4 197	70 831	130 846
Balance at the end of the year	**(249 125)**	**(226 386)**	**280 425**	**209 594**

Group profit or loss account for the year ended 31 March 2022

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Profit before tax	6 307 506	4 363 046	10 093 803	6 483 531
Income tax expense	(2 213 206)	(1 393 663)	(2 674 111)	(1 669 028)
Profit for the year	**4 094 300**	**2 969 383**	**7 419 692**	**4 814 503**
Retained earnings brought forward	15 304 803	13 531 618	5 549 858	1 246 350
Dividend	(609 561)	(678 993)	(447 808)	(303 037)
Actuarial loss on post retirement provision	(264 695)	(483 108)	(193 254)	(188 213)
Share based payment	17 292	(34 097)	17 292	(19 745)
Retained earnings carried forward	**18 542 139**	**15 304 803**	**12 345 780**	**5 549 858**

Dividend
The Board declared and paid an interim dividend of ZWL108 cents per share during the year ended 31 March 2022. 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 2022.

Directorate
During the period under review James Pasipano Maposa, a long serving and dedicated independent Non-Executive Director, passed away. The board wishes to express its condolences to James Pasipano Maposa's family and also gratitude for the time served. Further, Lennox Bruce retired, Simon Harvey and Owen Hopelife Manasah 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 new independent Non-Executive Directors Nyasha Jill Jacqueline Mangwiza and Dudizile Kereditse Shinya, a Non-Executive Director Tendai Masawi and a new Finance Director, Tapera Masarakufa. The Board will seek ratification of these appointments at the forthcoming Annual General Meeting.

Directors' fees
At the Annual General Meeting held on 17 September 2021, the members approved that the fees payable to non-executive directors for the year ended 31 March 2022 be fixed at US$3 087 per quarter and US$6 174 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee. Further that the fees payable to non-executive directors as members of the committees for the year ended 31 March 2022 be fixed at US$1 543 per quarter and US$3 087 for the Chairman, with 60% paid as a retainer and 40% as an attendance fee.

Change of auditors
The Board appointed Ernst & Young as the Group's external auditors with effect from the beginning of the current 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 2022 set out on pages 27 to 96 were approved by the Board of Directors on 25 August 2022 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 28).

By order of the Board,

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

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 were recently appointed at the annual general meeting held on 17 September 2021 as the new auditors of the Group and Company. This was following the retirement of Deloitte & Touche in accordance to the Practice Guidelines from the Zimbabwe Stock Exchange with respect to audit rotation. The former auditors had served the Company for more than 10 years. The appointment of Ernst & Young was after satisfaction that the firm is professionally independent in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants and the relevant standards from the Public Accountants and Auditors Board (PAAB). The new auditors will also be subject to the routine rotation of its partners in order to ensure continued independence.

Ernst & Young as highlighted above are the External Auditors responsible for the audit of the financial statements for the year ended 31 March 2022, and were appointed by shareholders and report to the Audit Committee. In order to be able to rely on the work performed by the external auditors, the Audit Committee has properly monitored 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 breakdown 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 2023 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 2022 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.

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 2022 and its financial performance for the year ended 31 March 2022.

Key Activities in the Financial Year

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

- Monitoring the quality and accuracy of financial reporting and compliance with IFRS in respect of financial practices and policies, considered the going concern status of the Company and recommended the financial statements to the Board for approval;
- Monitoring action taken by management to resolve issues reported by internal and External Auditors;
- Continuous engagement with the External Auditors to oversee independence and audit quality;
- A Compliance Policy, Compliance Manual and Compliance Coverage Plan including Compliance Risk Management Plans, were approved by the Committee;

Audit Committee Report

(continued)

- A Conflict of Interest Policy and Anti-Fraud and Corruption Policy and Response Plan were recommended by the Committee for adoption by the Board;
- The Committee reviewed various reports from the Internal Audit on the internal audit work undertaken against the agreed work plan, their findings, management responses and changes to standard operating procedures;
- Received reports on identified fraud cases and noted that no major occurrences were reported during the year. The work covered investigations on reports from the Deloitte Tip-Off Anonymous System and those received directly from whistle blowers;
- Provided oversight over 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.

N Kudenga
Audit Committee Chairman
25 August 2022

Building a better
working world

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To the Shareholders of Hippo Valley Estates Limited

Report on the Audit of the Inflation Adjusted Consolidated and Separate Financial Statements.

Qualified 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 27 to 96, which comprise the inflation adjusted consolidated and separate statements of financial position as at 31 March 2022 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 2022 and notes to the inflation adjusted consolidated and separate financial statements, including a summary of significant accounting policies.

In our opinion, except for the effects of the matters described in the Basis for qualified opinion section, the accompanying inflation adjusted consolidated and separate financial statements present fairly, in all material respects the inflation adjusted consolidated and separate financial position of the Group and Company as at 31 March 2022, and its inflation adjusted consolidated and separate financial performance and their inflation adjusted consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs), and the manner required by the Companies and Business Entities Act (Chapter 24:31).

Basis for qualified opinion

Non-compliance with International Financial Reporting Standards IAS 21 - The Effects of Changes in Foreign Exchange Rates; IAS 8 - Accounting Polices, Changes in Accounting Estimates and Errors and IAS 29 -Financial Reporting in Hyperinflationary Economies.

As stated in note 3 to the Inflation Adjusted consolidated and separate financial statements, Hippo Valley Estates Limited's functional and presentation currency is the Zimbabwean Dollar (ZWL).

In the prior year, the Group and Company translated foreign denominated transactions and balances to ZWL using the fixed interbank exchange rates of USD1: ZWL25 for the period 1 April 2020 to 23 June 2020. We concluded that the interbank exchange rates used during the period 1 April 2020 to 23 June 2020 did not meet the definition of a spot exchange rate as per IAS 21.

This matter relates to the prior year and has not been corrected through a restatement in terms of IAS 8 as an appropriate exchange rate could not be identified for the period. Consequently, the following corresponding (prior year amounts) are misstated:

Prior year consolidated and separate inflation adjusted statements of profit or loss

- USD Revenue equivalent of ZWL 1 396 034 083 out of the total ZWL 16 752 409 000
- Consequential impact on Taxation and Monetary gain or loss.

Prior year consolidated and separate inflation adjusted statements of financial position

- Retained earnings

Furthermore, notwithstanding that IAS 29 has been applied correctly, it is noted that its application was based on prior periods' financial information which was not in compliance with IAS 21 and IAS 8 as described above. Had the correct base numbers been used, the prior period Inflation Adjusted Consolidated and Separate financial statement amounts as stated above would have been materially different.

Our opinion on the current period's financial statements is therefore modified because of the possible effects of the above matter on the comparability of the current period's figures and the corresponding figures.

The misstatements are material but however not pervasive to the financial statements. 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 the 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 other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Emphasis of Matter

We draw attention to Note 31 and Note 32 of the Inflation Adjusted financial statements, which describes the effects of the correction of errors on biological assets - Standing cane in the prior year on the Statement of financial position and Fair Value Adjustment and Cost of sales on the Statement of profit or loss and other comprehensive income. Our opinion is not modified in respect of this matter.

Other matter

The prior year consolidated, and separate inflation adjusted financial statements were audited by another auditor who issued an unmodified opinion on 25 June 2021.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the Inflation Adjusted consolidated and separate financial statements of the current period. In addition to the matter(s) described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report. These matters were addressed in the context of our audit of the Inflation Adjusted consolidated and separate financial statements, 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 inflation adjusted consolidated and separate 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 the risks of material misstatement of the 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 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	
Hippo Valley Estates Limited is required to value its biological assets at fair value in accordance with International Accounting Standard (IAS) 41 - 'Biological Assets' 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 amounted to ZWL10 765 143 000 (2021: ZWL6 556 503 000). The valuation process includes significant judgements 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 (IFRS). · 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. · 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. Presumed risk of revenue recognition in accordance with IFRS 15 (Agent vs Principal)	
Included in revenue stated at ZWL30 107 757 000 (2021: ZWL28 930 605 000) is sugar revenue. As discussed on Note 20.12 to the consolidated and separate inflation adjusted financial statements, Hippo Valley Estates Limited entered into sugar cane milling agreements with out-grower farmers in 2020. The sugar cane milling agreements replaced the previous cane purchase agreements. In terms of the sugar cane milling agreements, the farmers deliver sugar cane for milling to Hippo Valley Estates Limited, after which the output, sugar, is sold to external parties through Zimbabwe Sugar Sales, a jointly controlled investment of Hippo Valley Estates Limited. This arrangement is considered complex in terms of IFRS 15 – 'Revenue from contracts with customers' due to significant judgments applied in determining the Principal vs Agent relationship between Hippo Valley Estates Limited and the outgrower farmers. The impacts of the resultant conclusion on the matter are significant to the accounting of the revenues and related balances on the statement of financial position. Key judgements include assessment of which party controls the inventory and the selling/marketing; interpretation of the legal documentation relating to the matter and an assessment of the prevailing practices on the ground.	Our procedures included independently assessing the reasonableness of the conclusions reached by the Group against IFRS 15 requirements, including, but not limited to the following: · We reviewed the relevant contract and other supporting information to understand the terms and conditions of the arrangement. · We reviewed the Group's assessment on the appropriateness of the revenue recognition principles in line with IFRS 15 requirements. · We considered standard practice in the sugar industry as a benchmark. · We discussed the key judgments with Management and corroborated the assumptions and assertions to relevant supporting documentation. · We reviewed the legal opinion obtained by management and assessed its impact on the conclusion. · We assessed adequacy of the disclosure of key accounting judgments on the consolidated and separate inflation adjusted financial statements. · We involved our IFRS experts in the performance of the above procedures.

Key Audit Matter	How the matter was addressed in the audit
2. Presumed risk of revenue recognition in accordance with IFRS 15 (Agent vs Principal)	
Due to the complexities described above, Hippo Valley estates management engaged an external legal representative to provide an opinion on the legal implications of the agreements, including but not limited to when ownership of the sugar cane passes. Further, management also engaged an external IFRS specialist to perform an assessment of the accounting implications of the arrangement. This matter is therefore a key audit matter in the current year.	

3. Valuation of inventory - Sugar Inventory in accordance with IAS 2 (Group and Company)	
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 inventory and liabilities arising thereon are complex due to the complex provisions of the contracts. Included in Inventory -sugar and by-products stated at ZWL5 493 454 000 (2021: ZWL3 524 814 000) is sugar inventory of ZWL3 158 793 000 (2021: ZWL1 550 215 000) (Both Group and Company). As discussed on Note 20.11 to the consolidated and separate inflation adjusted financial statements, a key input to the valuation of sugar inventory are the 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 inventory is recognised at the beginning of the season, such final amounts would not have been determined. This makes the valuation process complex due to key considerations on how the variable payments should be accounted for, either through profit or loss, or inventory. It is noted that IAS 2 does not provide specific guidance on similar arrangements. Therefore, as guided in IAS 8 – Accounting Policies, Changes in accounting estimates and errors, Management applied significant judgment in developing an appropriate accounting policy. Management's considerations included industry practice and other accounting literature.	Our procedures included independently assessing the reasonableness of the conclusions reached by the Group against IFRS requirements, including, but not limited to the following: · We obtained an understanding of the sugar production and sales process from initial delivery of the sugar cane to the sale of finished goods. Our procedures included reading relevant contracts such as the sugar cane milling agreement. · We assessed the appropriateness of inventory valuation accounting policy applied by management to ensure it is in line with IAS 8. · We reviewed management's accounting policy on the accounting for variable payments against relevant accounting literature. In addition, we reviewed the underlying data relating to the subsequent price changes to confirm accuracy. · We reperformed the inventory valuation to confirm that the subsequent price changes had been allocated between Cost of sales (for sugar sold) and inventory (sugar on hand). · We reviewed the Group's assessment and rationale on the change in accounting estimate in terms of IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. · We reviewed the revised inventory valuation calculation and assessed whether the principles are still aligned with the requirements of IAS 2 – Inventories. · We evaluated the data on which the change in estimate is based to confirm that the estimate (i) is accurate, (ii) is complete, and (iii) is relevant for purposes of IAS 2 by performing recalculations, inspecting source documents and physically inspecting the sugar inventory. · We assessed adequacy of the disclosure of key accounting judgments on the consolidated and separate inflation adjusted financial statements. · We involved our IFRS and audit experts in the performance of the above procedures.

Key Audit Matter	How the matter was addressed in the audit
3. Valuation of inventory - Sugar Inventory in accordance with IAS 2 (Group and Company)	
Further, during the year, management applied changes to the cost estimation technique for measurement of inventory from a simple average based on the full year production costs divided by the full year production units to a weighted average computed monthly using the opening average cost and the month's total production costs divided by the month's production for reasons discussed on Note 20.11. Due to the complexities described above, and the significance of the inventory; Hippo Valley estates management engaged an external IFRS consultant to assess the appropriateness and accounting implications of the above matters. The valuation of sugar inventory is therefore a key audit matter in the current year.	

Other Information
The directors are responsible for the other information. The other information comprises 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. As described in the Basis for Qualified Opinion section above, the Group did not comply with the requirements of IAS 21 – Effects of Changes in Foreign Exchange Rates in prior year, and IAS 8 - Accounting Policies, Changes in Accounting Estimates, and Errors, which had a consequential impact on the application of IAS 29 - Financial Reporting in Hyperinflationary Economies. We have concluded that the other information is materially misstated for the same reasons.

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 consolidated and separate financial statements, the directors are responsible for assessing the Group and Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Group or Company, or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Inflation adjusted Financial Statement
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 in aggregate, they could reasonably be expected to influence the economic decisions of users taken based on these inflation 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 Auditors
Harare

Date 26 August 2022

Consolidated Statement of Financial Position

As at 31 March 2022

	Notes	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	INFLATION ADJUSTED Year ended 31.03.21 ZWL'000 Restated	HISTORICAL COST* Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.21 ZWL'000 Restated
ASSETS					
Non-current assets		**8 859 082**	**8 953 332**	**1 252 875**	**573 803**
Property, plant and equipment	4.3	8 138 269	8 258 774	979 550	366 039
Intangible assets	4.6	51 110	179 107	11 600	2 722
Investments in associate companies	5	661 139	499 792	258 169	199 521
Right of use asset	4.9	8 564	15 659	3 556	5 521
Current assets		**22 434 773**	**15 053 723**	**21 153 530**	**8 644 661**
Biological assets***	6	10 765 143	6 556 503	10 765 143	3 796 576
Inventories #	8	5 493 454	3 524 814	4 308 330	1 968 789
Accounts receivable	7	5 405 571	3 442 767	5 309 452	1 993 551
Cash and cash equivalents		770 605	1 529 639	770 605	885 745
Total assets		**31 293 855**	**24 007 055**	**22 406 405**	**9 218 464**
EQUITY AND LIABILITIES					
Capital and reserves		**19 441 898**	**16 227 301**	**12 641 647**	**5 774 894**
Issued share capital	9.1	1 148 884	1 148 884	15 442	15 442
Other components of equity	9.3	(249 125)	(226 386)	280 425	209 594
Retained earnings		18 542 139	15 304 803	12 345 780	5 549 858
Non-current liabilities		**5 577 734**	**4 093 100**	**3 469 122**	**1 308 794**
Deferred tax liabilities	10	4 673 523	3 474 145	2 564 911	950 386
Provisions**	12.1	783 648	611 502	783 648	354 093
Lease liability	13	2 826	7 453	2 826	4 315
Borrowings	14.1	117 737	-	117 737	-
Current liabilities		**6 274 223**	**3 686 654**	**6 295 636**	**2 134 776**
Trade and other payables	11	4 539 976	3 346 936	4 561 389	1 938 061
Leave pay provision	12.2	303 409	67 286	303 409	38 962
Lease liability	13	3 511	5 520	3 511	3 197
Borrowings	14.1	1 109 857	-	1 109 857	-
Current tax liability		249 366	262 166	249 366	151 808
Provisions**	12.1	68 104	4 746	68 104	2 748
Total equity and liabilities		**31 293 855**	**24 007 055**	**22 406 405**	**9 218 464**

* 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.

** Refer to note 12.1.3

*** Refer to note 32

Refer to note 33

Company results are shown on pages 90 to 96.

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 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		Year ended 31.03.22 ZWL'000	**Year ended 31.03.21 ZWL'000 Restated^#**	**Year ended 31.03.22 ZWL'000**	**Year ended 31.03.21 ZWL'000 Restated#**
Revenue	15.1	30 107 757	28 930 605	22 676 207	12 854 238
Cost of sales	15	(19 913 929)	(15 054 419)	(13 550 523)	(5 445 559)
Gross profit		**10 193 828**	**13 876 186**	**9 125 684**	**7 408 679**
Marketing and selling expenses	15	(3 185 178)	(4 274 168)	(2 327 903)	(1 876 435)
Administrative and other expenses	15	(5 320 643)	(4 043 295)	(3 974 317)	(1 828 284)
Expected credit losses	15	(67 558)	(93 948)	(67 558)	(54 401)
Fair value adjustment on biological assets	15	4 208 640	(529 706)	6 968 568	2 591 674
Other operating income/ (expenses)		427 192	(101 841)	262 248	(63 053)
Operating profit	**15**	**6 256 281**	**4 833 228**	**9 986 722**	**6 178 180**
Monetary loss		192 393	(861 873)	-	-
Net finance (charges)/ income	16	(261 682)	155 724	17 560	204 559
Finance costs		(907 163)	(278 093)	(525 512)	(108 947)
Finance income		645 481	433 817	543 072	313 506
		6 186 992	**4 127 079**	**10 004 282**	**6 382 739**
Share of associate companies' profit after tax		120 514	235 967	89 521	100 792
Profit before tax	5	**6 307 506**	**4 363 046**	**10 093 803**	**6 483 531**
Income tax expense	17.1	(2 213 206)	(1 393 663)	(2 674 111)	(1 669 028)
Profit for the year	17	**4 094 300**	**2 969 383**	7 419 692	4 814 503
Other comprehensive loss		(287 434)	(478 910)	(122 424)	(57 367)
Items that may be reclassified subsequently to profit or loss					
- Exchange (loss)/ gain on translation of equity in foreign investment		(19 411)	65 923	74 158	154 894
- Tax effect		(3 328)	(61 725)	(3 328)	(24 048)
Items that will not be classified subsequently to profit or loss					
- Actuarial losses on post retirement provision		(351 614)	(641 748)	(256 714)	(250 018)
- Tax effect		86 919	158 640	63 460	61 805
Total comprehensive income for the year		**3 806 866**	**2 490 473**	**7 297 268**	**4 757 136**
Basic and diluted earnings per share (ZWL cents)	18	2 121	1 538	3 844	2 494
Headline earnings per share (ZWL cents)	18	2 123	1 538	3 835	2 494

* 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.

^ Refer to note 30 on notes to consolidated and separate financial statements
Company results are shown on pages 90 to 96.

Fair value adjustment on biological assets was previously presented as part of turnover and has now been presented after gross profit as this does not relate to turnover for the period.

Consolidated Statement of Changes in Equity

For the year ended 31 March 2022

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 2020	**1 148 884**	**(230 584)**	**13 531 618**	14 449 918
Total comprehensive income for the year	-	4 198	2 486 275	2 490 473
Profit for the year	-	-	2 969 383	2 969 383
Other comprehensive income / (loss) for the year	-	4 198	(483 108)	(478 910)
Dividend (note 19)	-	-	(678 993)	(678 993)
Share based payment	-	-	(34 097)	(34 097)
Balance at 31 March 2021 (Restated)	**1 148 884**	**(226 386)**	**15 304 803**	**16 227 301**
Total comprehensive (loss) / income for the year	-	(22 739)	3 829 605	3 806 866
Profit for the year	-	-	4 094 300	4 094 300
Other comprehensive loss for the year	-	(22 739)	(264 695)	(287 434)
Share based payment	-	-	17 292	17 292
Dividend (note 19)	-	-	(609 561)	(609 561)
Balance at 31 March 2022	**1 148 884**	**(249 125)**	**18 542 139**	**19 441 898**

Company results are shown on pages 90 to 96.

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 2020	**15 442**	**78 748**	**1 246 350**	**1 340 540**
Total comprehensive income for the year	-	130 846	4 626 290	4 757 136
Profit for the year	-	-	4 814 503	4 814 503
Other comprehensive income/(loss) for the year	-	130 846	(188 213)	(57 367)
Dividend (note 19)	-	-	(303 037)	(303 037)
Share based payment	-	-	(19 745)	(19 745)
Balance at 31 March 2021 (Restated)	**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**

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

Company results are shown on pages 90 to 96.

Consolidated Statement of Cash Flows

For the year ended 31 March 2022

	Notes	INFLATION ADJUSTED		HISTORICAL COST*	
		Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000 Restated^	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000 Restated^
Cash flows from operating activities					
Cash generated from operations	20.1	3 300 695	4 225 624	3 193 399	3 986 378
Changes in working capital	20.2	(2 557 860)	1 317 600	(2 771 950)	(1 684 812)
Net cash generated from operations		**742 835**	**5 543 224**	**421 449**	**2 301 566**
Net finance income received		444 897	56 669	402 520	51 826
Interest paid		(222 161)	(179 285)	(162 128)	(70 399)
Interest received		667 058	235 954	564 648	122 225
Tax paid		(1 235 296)	(2 285 645)	(901 895)	(931 336)
Net cash (outflow) / inflow from operating activities		**(47 564)**	**3 314 248**	**(77 926)**	**1 422 056**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		(856 784)	(630 833)	(654 726)	(246 205)
- Other property, plant, equipment and intangible assets		(544 458)	(241 919)	(425 820)	(117 660)
- Cane roots		(312 326)	(388 914)	(228 906)	(128 545)
Proceeds on disposal of property, plant and equipment	20.3	21 821	76	18 210	44
Dividends received from associated companies		159 668	194 702	105 032	104 906
Net cash outflow from investing activities		**(675 295)**	**(436 055)**	**(531 484)**	**(141 255)**
Net cash (outflow) / inflow before financing activities		**(722 859)**	**2 878 193**	**(609 410)**	**1 280 801**
Cash flows from financing activities					
Proceeds from borrowings		3 895 559	757 894	2 844 165	295 267
Repayment of borrowings		(2 425 481)	(875 517)	(1 770 854)	(315 267)
Dividends paid		(609 561)	(678 993)	(447 808)	(303 037)
Lease financing raised		(4 544)	4 499	(2 108)	39
Net cash inflow / (outflow) from financing activities		**855 973**	**(792 117)**	**623 395**	**(322 998)**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		1 529 639	701 168	885 745	119 223
Net cash (outflow) / inflow from operating activities		(47 564)	3 314 248	(77 926)	1 422 056
Net cash outflow from investing activities		(675 295)	(436 055)	(531 484)	(141 255)
Net cash inflow / (outflow) from financing activities		855 973	(792 117)	623 395	(322 998)
Inflation effects on cash and cash equivalents		(708 537)	(1 059 739)	-	-
Net foreign exchange difference		(183 611)	(197 866)	(129 125)	(191 281)
Cash and cash equivalents at end of year		**770 605**	**1 529 639**	**770 605**	**885 745**
Consisting of:		**770 605**	**1 529 639**	**770 605**	**885 745**
Cash on hand		768	139	768	81
Cash at bank		769 837	1 529 500	769 837	885 664

* 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.

^ Refer to note 30 and 31 on notes to consolidated and separate financial statements

Company results are shown on pages 90 to 96.

Significant Accounting Policies to the Consolidated and Separate Financial Statements

1. Statement of compliance and basis of preparation

The annual financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS), and interpretations developed and issued by the International Financial Reporting Interpretations Committee (IFRIC). The financial statements are based on statutory records that are maintained under the historical cost convention except for the valuation at fair value at the end of each reporting period for certain assets, and adjusted for the effects of applying IAS 29: Financial Reporting in Hyperinflationary Economies ("IAS 29"). Historical cost is generally based on the fair value of the consideration given in exchange for goods and services at the date of the transaction. Appropriate adjustments and reclassifications including restatement for changes in the general purchasing power of the Zimbabwe Dollar for purposes of fair presentation in accordance with IAS 29, have been made in these financial statements to the historical cost financial information (see accounting policy note 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 are used in the valuation of livestock;

- 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; 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 International Accounting Standards Board (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.

All the historical financial statements are presented as supplementary information. The information does not comply with the International Financial Reporting Standards in that it has not taken into account the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies.

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 2022. 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 of 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 2022 and prior year.

The Group and Company concur with this classification, supported by the following factors:

- In the financial year to March 2022, annual inflation rate decelerated to 72%. However, this remains hyperinflationary in accordance with IAS 29.
- There was significant deterioration in the interbank Zimbabwe Dollar (ZWL) exchange rate during the period. Trading commenced at an interbank rate of ZWL84.40 to US$1 as at 1 April 2021 and weakened to a rate of ZWL142.86 to US$1 at 31 March 2022.
- 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 to restate transactions and balances as appropriate. The conversion factors used to restate the consolidated and separate financial statements for the year ended 31 March 2022 are as follows;

Date	General Price Index	Conversion factor
31 March 2020	810.40	5.881
31 March 2021	2 759.83	1.727
31 March 2022	4 766.10	1.000
Average CPI for 12 months to:		
31 March 2020	382.92	
31 March 2021	2 083.51	
31 March 2022	3 582.86	

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 Other Comprehensive Income (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 in 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 derecognise 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 contract that contains 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 methods 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. 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 comprehensive income. This impairment test carried out in the current year showed that no assets had suffered impairment, (2021: 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; (2021 nil).

13. Inventories

13.1Stores

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. Previously, inventory was measured as the weighted average cost of inventory over the entire financial year. The new cost estimation technique employed for the financial reporting period ended 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

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

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

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 awards. 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 do 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 weighbridge costs; and
- fruit orchards at estimated future sales proceeds less harvesting and transport costs. Future sales proceeds and costs to sell are discounted to present values at valuation date using the average borrowing cost which was 40% (2021:40%) 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 Compan'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 revenue in accordance with IAS 41 "Agriculture" which is also consistent with the treatment in prior years. Fair value of biological assets is determined as described in 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 programmes. 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 is 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 planter) 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).

During the year, management applied changes to the cost estimation technique for measurement of inventory from an annual weighted method based on the full year production costs divided by the full year production units to a monthly weighted moving average for reasons discussed on Note 33.

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

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 cum planter). 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.

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.

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 2021 (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.

Interest Rate Benchmark Reform – Phase 2: Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16	The amendments provide temporary reliefs which address the financial reporting effects when an interbank offered rate (IBOR) is replaced with an alternative nearly risk-free interest rate (RFR). The amendments include the following practical expedients: • A practical expedient to require contractual changes, or changes to cash flows that are directly required by the reform, to be treated as changes to a floating interest rate, equivalent to a movement in a market rate of interest; • Permit changes required by IBOR reform to be made to hedge designations and hedge documentation without the hedging relationship being discontinued; • Provide temporary relief to entities from having to meet the separately identifiable requirement when an RFR instrument is designated as a hedge of a risk component. These amendments had no impact on the consolidated and separate financial statements of the Group and Company. The Group and Company intends to use the practical expedients in future periods if they become applicable.
COVID-19-Related Rent Concessions beyond 30 June 2021 Amendments to IFRS 16	On 28 May 2020, the IASB issued COVID-19-Related Rent Concessions - amendment to IFRS 16 Leases The amendments provide relief to lessees from applying IFRS 16 guidance on lease modification accounting for rent concessions arising as a direct consequence of the COVID-19 pandemic. As a practical expedient, a lessee may elect not to assess whether a COVID-19 related rent concession from a lessor is a lease modification. A lessee that makes this election accounts for any change in lease payments resulting from the COVID-19 related rent concession the same way it would account for the change under IFRS 16, if the change were not a lease modification.

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

The amendment was intended to apply until 30 June 2021, but as the impact of the COVID-19 pandemic is continuing, on 31 March 2021, the IASB extended the period of application of the practical expedient to 30 June 2022.The amendment applies to annual reporting periods beginning on or after 1 April 2021. However, the Group and Company has not received COVID-19-related rent concessions, but plans to apply the practical expedient if it becomes applicable within allowed period of application.

2.2 New amendments and improvements issued but not yet effective

2.2.1 Taxation in fair value measurements: IAS 41 Agriculture

Key requirements	Impact
Effective for annual periods beginning on or after 1 January 2022	
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.	The Directors of the Company anticipate that the application of this amendment may have an impact on the Group's consolidated and separate financial statements in future periods.

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

Effective for annual periods beginning on or after 1 January 2023	
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 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

2.2.3 Disclosure of Accounting Policies - Amendments to IAS 1 and IFRS Practice Statement 2

Key requirements	Impact
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 the nature of them. 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.

2.2.4 Definition of Accounting Estimates - Amendments to IAS 8

Key requirements	Impact
Effective for annual periods beginning on or after 1 January 2023	
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 amendments are intended to provide preparers of financial statements with greater clarity as to the definition of accounting estimates, particularly in terms of the difference between accounting estimates and accounting policies. Although the amendments are not expected to have a material impact on entities' financial statements, they should provide helpful guidance for entities in determining whether changes are to be treated as changes in estimates, changes in policies, or errors. 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 Amendments to References to the Conceptual Framework in IFRS Standards

Effective for annual periods beginning on or after 1 January 2022	
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.	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.

2.2.6 Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

Effective for annual periods beginning on or after 1 January 2022	
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,	The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods.

2.2.6 Amendments to IAS 16 – Property, Plant and Equipment—Proceeds before Intended Use

Key requirements	Impact
Effective for annual periods beginning on or after 1 January 2022	
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.	

2.2.7 Amendments to IAS 37 – Onerous Contracts—Cost of Fulfilling a Contract

Effective for annual periods beginning on or after 1 January 2022	
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.	The Directors of the Company anticipate that the application of these amendments may have an impact on the Group's consolidated and separate financial statements in future periods.

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. 50% of the assets and liabilities of the consortium at 31 March 2022 are included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Current assets	**296 399**	**258 825**	**16 629**	**12 033**
Inventories	296 303	258 803	16 533	12 020
Cash and cash equivalents	96	22	96	13
Total assets	**296 399**	**258 825**	**16 629**	**12 033**
Current liabilities	**(505 805)**	**(147 908)**	**(505 805)**	**(85 647)**
Trade and other payables	(505 805)	(147 908)	(505 805)	(85 647)
Net assets / (liabilities)	**(209 406)**	**110 917**	**(489 176)**	**(73 614)**

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 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Cost of sales	(87 549)	(85 100)	(58 903)	(33 155)

3. Interest in Consortia (continued)

3.2 Zimbabwe Sugar Sales (Private) Limited

The Group and Company have 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 2022 are included in the statement of financial position under their respective headings as follows:

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Non-current assets	**217 179**	**285 253**	**10 108**	**13 698**
Property, plant and equipment*	199 141	253 775	9 312	11 285
Right-of-use asset	18 038	31 478	796	2 413
Current assets	**866 355**	**966 623**	**865 170**	**557 701**
Inventories	31 959	98 855	30 774	55 216
Accounts receivable	671 674	345 367	671 674	199 986
Cash and cash equivalents	162 722	522 401	162 722	302 499
Total assets	**1 083 534**	**1 251 876**	**875 278**	**571 399**
Non-current liabilities	**-**	**(2 472)**	**-**	**(1 431)**
Lease liability	-	(2 472)	-	(1 431)
Current liabilities	**(413 670)**	**(871 992)**	**(413 670)**	**(504 931)**
Trade and other payables*	(411 325)	(867 470)	(411 325)	(502 313)
Lease liability	(2 345)	(4 522)	(2 345)	(2 618)
Total liabilities	**(413 670)**	**(874 464)**	**(413 670)**	**(506 362)**
Net (liabilities) / assets	**669 864**	**377 412**	**461 608**	**65 037**

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.

*Change in prior year descriptions to align to the face of primary financial statements.

3.3 Tokwane Consortium

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Non-current assets				
Property, plant and equipment	6 328	6 776	1 098	1 152

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) which provided water treatment services up until it became dormant at the start of current 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	
	31.12.21 ZWL'000	31.12.20 ZWL'000	31.12.21 ZWL'000	31.12.20 ZWL'000
Current assets				
Inventories	-	67 788	-	20 625
	-	**67 788**	**-**	**20 625**
Share capital issued	17 064	17 064	320	320
Accumulated loss	(17 064)	(47 576)	(320)	(40 851)
Capital and reserves	**-**	**(30 512)**	**-**	**(40 531)**
Current liabilities				
Accounts payable	-	98 300	-	61 156
	-	**67 788**	**-**	**20 625**
Operating loss	**-**	**(222 324)**	**-**	**(5 465)**

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 31.03.20 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.21 ZWL'000	Additions ZWL'000	Disposal ZWL'000	Balance 31.03.22 ZWL'000
Permanent improvements	437 196	-	-	437 196	-	-	437 196
Cane roots	3 289 024	388 914	(1 242 171)	2 435 767	312 326	(596)	2 747 497
Irrigation canals, dams and equipment	2 397 685	-	200	2 397 885	-	-	2 397 885
Housing and buildings	2 704 744	105	569	2 705 418	9 681	-	2 715 099
Sugar factory buildings and plant	4 332 403	-	1 290	4 333 693	49 498	-	4 383 191
Other buildings, plant and equipment	225 878	1 277	(72)	227 083	23 060	(6 121)	244 022
Agricultural, haulage and motor vehicles and implements	1 612 428	18 499	5 226	1 636 153	82 044	(63 847)	1 654 350
Capital work in progress	349 478	209 246	(8 296)	550 428	363 441	-	913 869
Capital work in progress - strategic spares	35 637	-	-	35 637	-	-	35 637
	15 384 473	**618 041**	**(1 243 254)**	**14 759 260**	**840 050**	**(70 564)**	**15 528 746**

4.1 Cost - Property, plant and equipment

HISTORICAL COST

	Balance 31.03.20 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.21 ZWL'000	Additions ZWL'000	Disposal ZWL'000	Balance 31.03.22 ZWL'000
Permanent improvements	5 876	-	-	5 876	-	-	5 876
Cane roots	64 055	128 545	(16 695)	175 905	228 906	(467)	404 344
Irrigation canals, dams and equipment	32 234	-	93	32 327	-	-	32 327
Housing and buildings	36 394	48	263	36 705	6 466	-	43 171
Sugar factory buildings and plant	63 974	-	596	64 570	35 705	-	100 275
Other buildings, plant and equipment	648	596	(33)	1 211	16 672	(82)	17 801
Agricultural, haulage and motor vehicles and implements	21 487	9 444	2 381	33 312	68 977	(892)	101 397
Capital work in progress	3 698	107 571	(3 838)	107 431	286 293	-	393 724
Capital work in progress - strategic spares	600	-	-	600	-	-	600
	228 966	**246 204**	**(17 233)**	**457 937**	**643 019**	**(1 441)**	**1 099 515**

4.1 Property, plant and equipment

4.2 Accumulated depreciation and impairment - Property, plant and equipment

INFLATION ADJUSTED

	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposals ZWL'000	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposal ZWL'000	Balance 31.03.22 ZWL'000
Permanent improvements	437 196	-	-	437 196	-	-	437 196
Cane roots	1 771 948	290 813	(1 242 171)	820 590	235 750	(596)	1 055 744
Irrigation canals, dams and equipment	185 069	63 834	-	248 903	39 391	-	288 294
Housing and buildings	863 456	24 051	-	887 507	53 705	-	941 212
Sugar factory buildings and plant	2 731 464	189 294	-	2 920 758	398 099	-	3 318 857
Other buildings, plant and equipment	29 438	44 659	(56)	74 041	159 001	(5 396)	227 646
Agricultural, haulage and motor vehicles and implements	993 422	118 357	(288)	1 111 491	48 667	(38 630)	1 121 528
	7 011 993	**731 008**	**(1 242 515)**	**6 500 486**	**934 613**	**(44 622)**	**7 390 477**

HISTORICAL COST

	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposals ZWL'000	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposal ZWL'000	Balance 31.03.22 ZWL'000
Permanent improvements	5 876	-	-	5 876	-	-	5 876
Cane roots	19 476	12 532	(16 695)	15 313	16 023	(467)	30 869
Irrigation canals, dams and equipment	2 407	1 211	-	3 618	882	-	4 500
Housing and buildings	11 487	325	-	11 812	821	-	12 633
Sugar factory buildings and plant	36 603	3 098	-	39 701	8 010	-	47 711
Other buildings, plant and equipment	455	251	(32)	674	1 882	(72)	2 484
Agricultural, haulage and motor vehicles and implements	13 173	1 898	(167)	14 904	1 541	(553)	15 892
	89 477	**19 315**	**(16 894)**	**91 898**	**29 159**	**(1 092)**	**119 965**

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

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	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Accelerated depreciation	596	19 194	467	9 714

4.2.2 Ratoon sensitivity analysis

The sensitivity analysis below has been determined based on exposure to variation in estimated useful lives of ratoons at the end of the reporting period from the estimated life of 7 ratoon cycles.

		INFLATION ADJUSTED Decrease in operating profit		HISTORICAL COST Decrease in operating profit	
Variable Factor	Estimated Useful Life	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Ratoon cycles	6 ratoons	(5 232)	(24 548)	(3 820)	(2 009)
Ratoon cycles	5 ratoons	(12 412)	(7 110)	(9 062)	(3 626)

4.3 Carrying amounts - Property, plant and equipment

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Cane roots	1 691 753	1 615 177	373 475	160 592
Irrigation canals, dams and equipment	2 109 591	2 148 982	27 827	28 709
Housing and buildings	1 773 887	1 817 911	30 538	24 893
Sugar factory buildings and plant	1 064 334	1 412 935	52 564	24 869
Other buildings, plant and equipment	16 376	153 042	15 317	537
Agricultural, haulage and motor vehicles and implements	532 822	524 662	85 505	18 408
Capital work in progress	913 869	550 428	393 724	107 431
Capital work in progress - strategic spares	35 637	35 637	600	600
	8 138 269	**8 258 774**	**979 550**	**366 039**

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

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

4.4 Cost - Intangible assets

	Balance 31.03.20 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.21 ZWL'000	Additions/ transfers in ZWL'000	Disposals/ transfers out ZWL'000	Balance 31.03.22 ZWL'000
INFLATION ADJUSTED							
ERP System	242 538	531	-	243 069	16 734	-	259 803
HISTORICAL							
ERP System	3 352	245	-	3 597	11 705	-	15 302

There are no intangible assets pledged as security.

4.5 Accumulated amortisation - Intangible assets

	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.22 ZWL'000
INFLATION ADJUSTED							
ERP System	47 698	16 264	-	63 962	144 731	-	208 693
HISTORICAL							
ERP System	648	227	-	875	2 827	-	3 702

Remaining useful life of intangible asset-SAP was assessed and revised from 10 to 3 years with effect from 1 April 2021. The effect of this change is an increase in annual depreciation charge for the next 3 years. Amortisation expense is included under administrative and other expenses.

4.6 Carrying amounts – Intangible assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
ERP System	51 110	179 107	11 600	2 722

4.7 Cost – Right of use assets

	Balance 31.03.20 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.21 ZWL'000	Additions ZWL'000	Disposals/ transfer ZWL'000	Balance 31.03.22 ZWL'000
INFLATION ADJUSTED							
Buildings	9 327	12 792	-	22 119	748	-	22 867
HISTORICAL COST							
Buildings	1 586	5 919	-	7 505	748	-	8 253

4.8 Accumulated Depreciation – Right of use assets

	Balance 31.03.20 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.21 ZWL'000	Charge for the year ZWL'000	Disposals/ transfers ZWL'000	Balance 31.03.22 ZWL'000
INFLATION ADJUSTED							
Buildings	1 230	5 230	-	6 460	7 843	-	14 303
HISTORICAL							
Buildings	209	1775	-	1 984	2 713	-	4 697

4.9 Carrying amounts – Right of use assets

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Buildings and office equipment	8 564	15 659	3 556	5 521

4.10 Assets pledged as security

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

4.11 Impairment of tangible and intangible assets

At each reporting period, the Group and Company test whether its assets have suffered any impairment at the end of a reporting period. 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 stated below. There were no indicators of impairment as at March 2022. The following table sets out the key assumptions used in the impairment tests performed for the CGU.

Assumption	Approach used to determining values
Production volumes	Past performance adjusted for management's expectations on irrigation water availability, improved yields from root replanting on company owned and private farmer owned land.
Sales volume	Past performance adjusted for projected local market demand over the four-year forecast period; Management's expectations on regional and international export market development.
Sales prices	Based on current and projected local and export market industry trends.
Other operating costs	Fixed costs of the CGU, which do not vary significantly with sales or production volumes or prices are based on the current structure of the business, adjusting for inflationary increases. Variable costs are adjusted in line with forecast year on year changes to production or sales.
Annual capital expenditure	Expected cash costs based on the historical experience of management, and the planned maintenance capital expenditure. No expansionary capital expenditure is assumed in the value-in-use model calculations.
Long-term growth rate	This is the weighted average growth rate used to extrapolate cash flows beyond the forecast period. The rates are managements best estimate based on past experience and forecast economic parameters.
Pre-tax discount rates	Reflect specific risks relating to the relevant CGU and the country of operation. Where necessary expert advice is obtained.

Impact of COVID-19 pandemic

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22	31.03.21	31.03.22	31.03.21
Pre-tax Weighted Average Cost of Capital (WACC)	16.2%	20%	16.2%	20%
Long term growth rate	2.5%	2.5%	2.5%	2.5%
Value in use (ZWL'000)	35 019 245	34 748 790	35 019 245	11 260 175
Carrying amount of CGU (ZWL'000)	15 695 201	17 473 022	15 695 201	7 580 909
Headroom (ZWL'000)	19 324 044	17 275 768	19 324 044	3 679 266

Sensitivity Analysis	INFLATION ADJUSTED		HISTORICAL COST	
Variable factor	Resulting Headroom/(impairment)		Resulting Headroom/(impairment)	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
1% increase in long-term growth rate	20 967 818	18 287 326	20 967 818	3 109 480
1% decrease in long-term growth rate	17 903 840	16 361 249	17 903 840	2 781 980
1% increase in pre-tax discount rates	16 640 511	15 376 156	16 640 511	2 614 480
1% decrease in pre-tax discount rates	22 434 087	19 384 161	22 434 087	3 295 980

5. Investments in associate companies

Name of associate company	Principal activity	Place of incorporation and operation	Proportion of ownership interest and voting power	
			31.03.22	31.03.21
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	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Tongaat Hulett (Botswana) (Proprietary) Limited (i)	200 552	301 788	200 552	174 751
National Chemical Products Distillers Zimbabwe (Private) Limited (ii)	460 587	198 004	57 617	24 770
	661 139	**499 792**	**258 169**	**199 521**

(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	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Total non-current assets	121 010	133 263	121 010	77 166
Total current assets	772 143	1 168 441	772 143	676 592
Total non-current liabilities	(14 243)	(14 182)	(14 243)	(8 212)
Total current liabilities	(277 255)	(382 157)	(277 255)	(221 290)
Net Assets	**601 655**	**905 365**	**601 655**	**524 256**
Group's share of net assets of associates	200 552	301 788	200 552	174 751
Total Revenue	3 735 575	4 659 343	2 719 695	1 990 207
Total Profit for the period	170 020	574 906	170 020	245 567
Group's share of profit of associates (after tax)	56 673	191 635	56 673	81 856

(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 2021 have been extracted from the audited financial statements of NCPDZ for the year ended 31 December 2021, and added to unaudited financial results for the 3 months to 31 March 2022. 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. Summarised financial information in respect of the associate company is set out below:

National Chemical Products Distillers Zimbabwe (Private) Limited

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Total non current assets*	50 281	36 499	6 290	4 566
Total current assets	1 067 027	605 814	288 630	143 652
Total current liabilities	(177 335)	(238 223)	(177 335)	(97 668)
Net Assets	**939 973**	**404 090**	**117 585**	**50 550**
Group's share of net assets of associates	460 587	198 004	57 617	24 770
Total Revenue	1 413 827	1 224 432	1 088 351	523 008
Total Profit for the period	87 084	90 474	67 036	38 645
Group's share of profit of associates (after tax)	42 671	44 332	32 848	18 936

*Deferred tax asset which was previously described as non current liability in error has now been correctly presented as non current asset. This has no material impact to the previously reported figures.

6. Biological assets

INFLATION ADJUSTED

	Standing cane ZWL'000	**Fruit orchards ZWL'000**	**Livestock ZWL'000**	**Total ZWL'000**
Balance at 31 March 2020	**7 009 795**	**21 697**	**54 717**	**7 086 209**
Fair value (loss) / gain	**(609 459)**	**62 327**	**17 426**	**(529 706)**
- Increase due to growth*	10 770 821	97 490	-	10 868 311
- Decrease due to harvest*	(11 131 340)	-	-	(11 131 340)
- (Loss) / gain arising from price changes	(155 974)	(35 163)	30 016	(161 121)
- Gain due to births*	-	-	6 626	6 626
- Loss due to death*	-	-	(19 216)	(19 216)
- Loss due to decrease in area	(92 966)	-	-	(92 966)
Balance at 31 March 2021	**6 400 336**	**84 024**	**72 143**	**6 556 503**
Fair value gain / (loss)	**4 232 067**	**(37 418)**	**13 991**	**4 208 640**
- Increase due to growth	12 332 156	-	-	12 332 156
- Decrease due to harvest	(13 686 183)	-	-	(13 686 183)
- (Loss) / gain arising from price changes	5 265 762	(20 434)	15 879	5 261 207
- Gain due to births	-	-	8 983	8 983
- Loss due to death	-	-	(4 756)	(4 756)
- Loss due to sales	-	-	(6 115)	(6 115)
- Gain / (loss) due to increased / (decreased) area	320 332	(16 984)	-	303 348
Balance at 31 March 2022	**10 632 403**	**46 606**	**86 134**	**10 765 143**

*Prior year disclosure has been disaggregated to provide additional information. There is no impact on previously reported numbers. Refer to note 32 where correction to prior period error was disclosed .

HISTORICAL COST

	Standing cane ZWL'000	Fruit orchards ZWL'000	Livestock ZWL'000	Total ZWL'000
Balance at 31 March 2020	**1 191 908**	**3 691**	**9 302**	**1 204 902**
Fair value gain	**2 514 238**	**44 964**	**32 472**	**2 591 674**
- Increase due to growth	4 369 743	37 981	-	4 407 724
- Decrease due to harvest	(4 510 197)	-	-	(4 510 197)
- Gain arising from price changes	2 690 910	6 983	37 376	2 735 269
- Gain due to births*	-	-	2 582	2 582
- Loss due to death*	-	-	(7 486)	(7 486)
- Loss due to decrease in area	(36 218)	-	-	(36 218)
Balance at 31 March 2021	**3 706 146**	**48 655**	**41 774**	**3 796 576**
Fair value gain	**6 926 257**	**(2 049)**	**44 360**	**6 968 568**
- Increase due to growth*	9 003 760	-	-	9 003 760
- Decrease due to harvest*	(9 392 945)	-	-	(9 392 945)
- 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**

*Prior year disclosure has been disaggregated to provide additional information. There is no impact on previously reported numbers. Refer to note 32 where correction to prior period error was disclosed.

Biological assets on hand at year end are as follows:

	31.03.22	31.03.21
Hectares under cane	10 916	10 246
Hectares under fruit orchards	11	14
Livestock population	733	758
Net Realisable Value for standing cane valuation (ZWL)	79 396	62 916
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.

	31.03.22	31.03.21
Area under cane (hectares)	10 916	10 246
Yield (tons cane per hectare)	92	104
Average age at harvest (months)	12	12
Net realisable value (ZWL)	79 396	62 916
Cane to sugar ratio*	8.09	8.29

*This was rounded to the nearest zero decimal place in prior year

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 31.03.22 ZWL'000	31.03.21 ZWL'000
Price	+5%	333 369	425 622
Price	(-5%)	(333 369)	(425 622)
Yield	+5%	304 577	374 429
Yield	(-5%)	(304 577)	(374 429)
Combined	**+5%**	**637 946**	**463 273**
Combined	**(-5%)**	**(637 946)**	**(463 273)**

Variable factor	% Movement	HISTORICAL COST Increase/(decrease) in profit 31.03.22 ZWL'000	31.03.21 ZWL'000
Price	+5%	333 369	165 817
Price	(-5%)	(333 369)	(165 817)
Yield	+5%	304 577	145 873
Yield	(-5%)	(304 577)	(145 873)
Combined	**+5%**	**637 946**	**311 690**
Combined	**(-5%)**	**(637 946)**	**(311 690)**

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

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

	Standing cane	Livestock	Fruit orchards
Net realisable value 2022	**ZWL**	**ZWL**	**ZWL**
Historical costs	79 396	117 509	81
Inflation adjusted	79 396	117 509	81
Net realisable value 2021			
Historical costs	36 432	55 111	37
Inflation adjusted	62 916	95 175	63

6.2 Fair value hierarchy for biological assets

INFLATION ADJUSTED

As at 31 March 2022 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	-	-	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**
As at 31 March 2021				
Biological assets				
Standing cane	-	-	6 400 336	6 400 336
Fruit orchards	-	-	84 024	84 024
Livestock	-	72 143	-	72 143
	-	**72 143**	**6 484 360**	**6 556 503**

HISTORICAL COST

As at 31 March 2022 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	-	-	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**
As at 31 March 2021				
Biological assets				
Standing cane	-	-	3 706 146	3 706 146
Fruit orchards	-	-	48 655	48 655
Livestock	-	41 774	-	41 774
	-	**41 774**	**3 754 801**	**3 796 576**

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	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Trade Receivables				
Sugar receivables	1 426 936	849 740	1 426 936	496 815
Molasses receivables	12 870	12 635	12 870	2 547
Allowance for credit losses	(18 055)	(16 669)	(18 055)	(9 652)
	1 421 751	**845 706**	**1 421 751**	**489 710**
Other Receivables				
Prepayments	711 372	897 192	615 253	478 246
VAT receivable	131 732	46 106	131 732	26 698
Staff receivables	14 718	17 852	14 718	9 502
Private farmers	93 256	34 316	93 256	19 871
Sundry (game, safari and citrus)	3 184 992	1 762 366	3 184 992	1 062 619
Allowance for credit losses	(152 250)	(160 771)	(152 250)	(93 095)
	3 983 820	**2 597 061**	**3 887 701**	**1 503 841**
Total trade and other receivables	**5 405 571**	**3 442 767**	**5 309 452**	**1 993 551**

7.1 Trade and other receivables

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. All the amounts are classified as current assets. Fair value of trade and other receivables approximates their amortised costs as disclosed in note 29.4.

The average credit period for sugar debtors is 14 days (2021:14 days) with the average credit period for other debtors being 21 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.

A provision matrix as allowed by IFRS 9 has been applied in determining the expected credit losses for trade receivables. In order to take into account the economic impact of the virus, the following adjustments have been considered in the provision matrix to assess the impact of the pandemic:

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

7.2 Risk profile of receivables

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

The following table details the risk profile of amounts due from customers based on the Group and Company 's provision matrix. As 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 provision rates assigned to various customer segments for the purpose of computing expected credit losses for financial year ended 31 March are as follows:

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

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

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Balance at the beginning of the year	177 439	83 495	102 747	48 346
Increase in expected credit losses on receivables	67 558	93 948	67 558	54 401
Net Monetary loss	(74 692)	(3)	-	-
Balance at end of year	**170 305**	**177 440**	**170 305**	**102 747**

Prior year disclosure has been updated to correct the split between opening balance and movement during the year. This correction has no impact on previously reported closing balance and on statement of profit or loss and other comprehensive income, and statement of financial position.

8. Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Stores	2 334 661	1 974 599	2 249 221	1 081 850
Sugar and by products	3 158 793	1 550 215	2 059 109	886 939
	5 493 454	**3 524 814**	**4 308 330**	**1 968 789**

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

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Provision for obsolescence	3 848	2 366	3 848	1 370

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

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Molasses stock	5 649	10 863	5 649	6 290

There are no other stocks valued at net realisable value.

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

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 441 645.12.

9.2 Unissued share capital

In terms of an ordinary resolution dated 22 August 1990, the Directors are authorised to issue or dispose of all or any of the unissued share capital of the Company for an indefinite period upon such terms and conditions and with such rights and privileges attached thereto as they may determine, subject to the limitations of the Companies and Other Business Entities Act (Chapter 24:31) and the Zimbabwe Stock Exchange.

9.3 Other components of equity

INFLATION ADJUSTED	Foreign currency translation reserve ZWL'000	Other components of equity ZWL'000	Total ZWL'000
Balance at 31 March 2020	**(73 591)**	**(156 993)**	**(230 584)**
Exchange loss on translation of equity in foreign associated company net of tax	**65 923**	**(61 725)**	**4 198**
Deferred tax on post acquisition of foreign associated company	-	(61 725)	(61 725)
Foreign operations – foreign currency translation differences	65 923	-	65 923
Balance at 31 March 2021	**(7 668)**	**(218 718)**	**(226 386)**
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	(19 411)	(3 328)	(22 739)
Deferred tax on post acquisition of foreign associated company	-	(3 328)	(3 328)
Foreign operations – foreign currency translation differences	(19 411)	-	(19 411)
Balance at 31 March 2022	**(27 079)**	**(222 046)**	**(249 125)**

HISTORICAL COST	Foreign currency translation reserve ZWL'000	Other components of equity ZWL'000	Total ZWL'000
Balance at 31 March 2020	**34 119**	**44 629**	**78 748**
Exchange gain/(loss) on translation of equity in foreign associated company net of tax	154 893	(24 047)	130 846
Deferred tax on post acquisition of foreign associated company	-	(24 047)	(24 047)
Foreign operations – foreign currency translation differences	154 893	-	154 893
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**

10. Deferred tax liabilities

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Balance at the beginning of the year	3 474 145	3 834 546	950 386	342 174
Movement through OCI - actuarial gain on post retirement provision	(86 920)	(158 640)	(63 461)	(61 804)
Movement through OCI - exchange gain on translation of equity in foreign associated company	3 328	61 725	3 328	24 047
Movement through profit and loss	1 282 970	(263 486)	1 674 658	645 969
Balance at the end of the year	**4 673 523**	**3 474 145**	**2 564 911**	**950 386**
Deferred tax comprises the tax effect of temporary differences arising from:				
Property, plant and equipment and right of use asset	1 870 348	2 148 739	79 200	64 416
Provisions and exchange differences	106 911	(350 267)	(210 553)	(84 336)
Biological assets	2 661 143	1 620 768	2 661 143	938 513
Accumulated profit of foreign associated company	35 121	54 905	35 121	31 793
Balance at the end of the year	**4 673 523**	**3 474 145**	**2 564 911**	**950 386**

11. Trade and other payables

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Trade payables	3 452 010	1 719 285	3 452 010	995 560
Other payables	868 109	1 400 618	889 522	811 036
Payroll creditors	219 857	227 033	219 857	131 465
	4 539 976	**3 346 936**	**4 561 389**	**1 938 061**

Trade payables comprise amounts outstanding for trade purchases. The average credit period taken to settle trade purchases is 7 days. The majority of trade payables do not accrue interest. Other payables 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.

12. Provisions

12.1 Employee benefits provisions

Employee benefits provisions comprise of benefits, other than pension distributions, paid to employees on and during retirement. The Group 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 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Post-retirement medical aid provisions (note 12.1.1)	346 584	279 298	346 584	161 729
Retirement gratuity (note 12.1.2)	505 168	336 950	505 168	195 112
	851 752	**616 248**	**851 752**	**356 841**

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 2022 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Net liability at the beginning of year	**279 298**	**63 281**	**161 729**	**10 760**
Actuarial loss included in other comprehensive income:	**112 108**	**374 126**	**81 850**	**145 755**
From changes in financial assumptions	-	-	-	-
From changes in experience items during the year	112 108	374 126	81 850	145 755
Net expense recognized in profit and loss	**150 667**	**10 236**	**110 003**	**5 926**
Current service cost	8 670	464	6 330	267
Interest cost	141 997	9 772	103 673	5 659
Less benefits paid during the year	(9 584)	(1 230)	(6 998)	(712)
Adjustment due to IAS 29 application	(185 905)	(167 115)	-	-
Net liability at the end of the year	**346 584**	**279 298**	**346 584**	**161 729**

The principal actuarial assumptions applied are:	**ZWL'000**	**ZWL'000**	**ZWL'000**	**ZWL'000**
Discount rate	63%	6.5%	63%	6.5%
Health care cost inflation rate	60.5%	5.0%	60.5%	5.0%
Weighted average duration of the obligation	18.07 years	16.8 years	18.07 years	16.8 years

Sensitivity analysis (based on varying individual input)

	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(42 653)	(13 620)	(42 653)	(7 887)
1% increase in trend rate - decrease in the obligation	(27 945)	(22 801)	(27 945)	(13 203)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	64 003	20 007	64 003	11 585
1% decrease in trend rate - increase in the obligation	41 801	33 294	41 801	19 279
Sensitivity of healthcare cost trend rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	(72 384)	(22 364)	(72 384)	(12 950)
1% increase in trend rate - increase in the obligation	(47 232)	(37 141)	(47 232)	(21 506)
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	59 551	18 453	59 551	10 685
1% decrease in trend rate - decrease in the obligation	38 917	30 721	38 917	17 789
Estimated contributions payable in the next financial year	**9 494**	**4 146**	**9 494**	**2 401**

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 2022 by qualified actuaries. Below is a reconciliation of the movement in the provision.

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	**As at 31.03.21 ZWL'000**	**As at 31.03.22 ZWL'000**	**As at 31.03.21 ZWL'000**
Net liability at the beginning of year	**336 950**	**363 070**	**195 112**	**61 735**
Actuarial loss included in other comprehensive income:	**239 507**	**267 622**	**174 865**	**104 263**
From changes in financial assumptions	-	-	-	-
From changes in experience items during the year	239 507	267 622	174 865	104 263
Net expense recognized in profit and loss	**195 480**	**62 841**	**142 722**	**36 387**
Current service cost	18 631	6 317	13 603	3 657
Interest cost	176 849	56 524	129 119	32 730
Less benefits paid during the year	(10 315)	(12 560)	(7 531)	(7 273)
Adjustment due to IAS 29 application	(256 454)	(344 023)	-	-
Net liability at the end of the year	**505 168**	**336 950**	**505 168**	**195 112**

The principal actuarial assumptions applied are:				
Discount rate	141%	7%	141%	6.3%
Salary inflation rate	138%	1104%	138%	61%
Weighted average duration of the obligation	13.8years	10.6years	13.8years	10.6years

12. Provisions (continued)

12.1.2 Retirement gratuity (continued)

Sensitivity analysis (based on varying individual input)

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Sensitivity of discount rates:				
1% increase in trend rate - decrease in the aggregate of the service and interest costs	(87 483)	(16 955)	(87 483)	(9 818)
1% increase in trend rate - decrease in the obligation	(52 780)	(21 451)	(52 780)	(12 422)
1% decrease in trend rate - increase in the aggregate of the service and interest costs	103 986	19 552	103 986	11 321
1% decrease in trend rate - increase in the obligation	62 585	24 679	62 585	14 291
Sensitivity of salary inflation trend rates:				
1% increase in trend rate - increase in the aggregate of the service and interest costs	100 799	18 806	100 799	10 890
1% increase in trend rate - increase in the obligation	60 616	23 702	60 616	13 724
1% decrease in trend rate - decrease in the aggregate of the service and interest costs	(45 913)	(16 607)	(45 913)	(9 616)
1% decrease in trend rate - decrease in the obligation	(52 132)	(20 978)	(52 132)	(12 148)
Estimated contributions payable in the next financial year	**58 573**	**599**	**58 573**	**347**

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.

12.1.3 Change in presentation

In the prior year, the provision was presented as non-current and this has now been split into current and non current provision. Management has retrospectively restated the statement of financial position provisions line in order to comply with IAS 1 requirements. This change has no material impact on previously reported numbers.

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	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Balance at the beginning of the year	67 286	21 414	38 962	3 641
Movement during the year	264 447	63 645	264 447	35 321
Net Monetary loss	(28 324)	(17 773)	-	-
Balance at the end of the year	**303 409**	**67 286**	**303 409**	**38 962**

12.3 Provisions 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.

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	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Maturity analysis – contractual undiscounted cash flows				
Due within one year	3 511	5 520	3 511	3 197
Due within one to two years	2 994	6 450	2 994	3 735
Due within two to three years	1 247	3 917	1 247	2 268
Total undiscounted lease liabilities at 31 March	7 752	15 887	7 752	9 200
Lease liabilities included in the statement of financial position	6 337	12 973	6 337	7 512
Analysed as follows :				
Current liability	3 511	5 520	3 511	3 197
Non-current liability	2 826	7 453	2 826	4 315
Amounts recognised in profit or loss				
Interest accrued on lease liabilities	4 181	3 449	3 031	1 845
Amounts recognised in the statement of cash flows				
Total cash outflow for leases	(4 544)	4 499	(2 108)	39

14. Borrowings

14.1 Borrowings

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Unsecured	**1 227 594**	**-**	**1 227 594**	**-**
Loans from: - Stanbic Bank of Zimbabwe (i)	1 186 766	-	1 186 766	-
Overdraft from :- CABS (ii)	40 828	-	40 828	-
Analysed as follows	**1 227 594**	-	**1 227 594**	-
Short term	1 109 857	-	1 109 857	-
Long term	117 737	-	117 737	-

Summary of borrowing arrangements

(i) The Stanbic loan consisted of a short term renewable ZWL denominated loan bearing interest of 40% per annum and a tenure of 365 days and a long term renewable US$ denominated loan bearing interest of 7% per annum and a tenure of 1 095 days.
(ii) The CABS overdraft bears 45% interest per annum and a tenure of 365 days.

14.2 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 statement of cash flows as cash flows 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
Bank loans	-	3 895 559	(2 425 481)	(242 484)	1 227 594

	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
Bank loans	-	2 844 165	(1 770 854)	154 284	1 227 594

(i) Other changes include forex revaluation of ZWL211 317 779 for inflation adjusted and ZWL154 284 024 for historical cost . Also included in other changes in inflation adjusted amount is an impact of inflation (IAS 29) adjustment of ZWL 453 801 403.

15. Operating Profit

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Revenue	30 107 757	28 930 605	22 676 207	12 854 238
Cost of sales	19 913 929	15 054 419	13 550 523	5 445 559
Agricultural and mill chemicals	1 939 853	1 782 775	812 976	407 535
Cane purchases	9 620 552	6 264 546	6 640 803	2 733 981
Depreciation and amortisation	921 921	731 008	22 009	19 317
Staff costs	3 721 663	2 686 940	2 806 674	1 144 734
Maintenance and other direct production costs	3 709 940	3 589 150	3 268 061	1 139 992
Gross profit	**10 193 828**	**13 876 186**	**9 125 683**	**7 408 679**
Marketing and selling expenses	**3 185 178**	**4 274 168**	**2 327 903**	**1 876 435**
Administration costs	**5 320 643**	**4 043 295**	**3 974 317**	**1 828 284**
Audit fees - external	71 165	66 319	65 809	32 443
- internal	17 135	15 129	15 133	7 174
Depreciation and amortisation	151 405	16 264	5 339	228
Depreciation of right of use asset	2 379	5 230	1 335	1 775
Staff costs	1 956 496	1 644 402	1 584 743	740 999
Maintenance and other administration costs	3 122 063	2 295 951	2 301 958	1 045 665
Expected credit losses	67 558	93 948	67 558	54 401
Fair value adjustment on biological assets	4 208 640	(529 706)	6 968 568	2 591 674
Other operating (profit) / loss	**(427 192)**	**101 841**	**(262 248)**	**63 053**
Loss / (profit) on disposal of property, plant, equipment and intangible assets	4 121	132	(17 862)	49
Exchange (gains) / losses	(29 268)	103 485	52 809	63 839
Other sundry income	(402 045)	(1 776)	(297 195)	(835)
Operating profit	**6 256 281**	**4 833 228**	**9 986 722**	**6 178 180**

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 2022 (2021: 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 charges

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Interest received	645 481	433 817	543 072	313 506
Interest paid	(907 163)	(278 093)	(525 512)	(108 947)
	(261 682)	**155 724**	**17 560**	**204 559**

17. Group Income tax expense

17.1 Income tax expense

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Current year normal tax	(930 237)	(2 423 396)	(999 453)	(1 023 061)
Movement in current year deferred taxation	(1 282 969)	1 029 733	(1 674 658)	(645 967)
Charged to group statement of profit or loss	**(2 213 206)**	**(1 393 663)**	**(2 674 111)**	**(1 669 028)**

17.2 Reconciliation of tax rate

	%	%	%	%
Notional tax rate	24.72	24.72	24.72	24.72
Tax effect of associate results reported net of tax	(0.47)	(1.33)	(0.30)	(1.14)
Tax effect of Income exempt from tax	-	(2.46)	-	(0.96)
Tax effect of expenses not deductible for tax purposes	3.15	10.74	1.85	2.73
Tax effect of inflation adjustment^	7.22	(0.70)	-	-
Tax effect of dividend income from associate taxed at 20%^	0.36	0.97	0.22	0.39
Effective tax rate	**34.98**	**31.94**	**26.49**	**25.74**

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

^Prior year disclosure has been updated to correctly show exempt income being deducted from notional tax rate as opposed to adding. Tax effects of non deductible expenses in prior year have also been adjusted to correct the resultant impact of incorrectly adding tax effects of exempt income and dividend income which were included in this line.

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 favor 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

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

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	**Year ended 31.03.21 ZWL'000**	**Year ended 31.03.22 ZWL'000**	**Year ended 31.03.21 ZWL'000**
Profit for the year	4 094 300	2 969 383	7 419 692	4 814 503
Adjustments:				
Loss/ (Profit) on disposal of property, plant and equipment	4 121	132	(17 862)	49
Headline earnings	**4 098 421**	**2 969 515**	**7 401 830**	**4 814 552**
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	2 121	1 538	3 844	2 494
Headline earnings per share	2 123	1 538	3 835	2 494
Diluted headline earnings per share	2 123	1 538	3 835	2 494

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.

19. Dividends

The Board declared and paid an interim dividend of ZWL108 cents per share during the year ended 31 March 2022. 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 2022.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Dividend payable at the beginning of the year	-	-	-	-
Dividend declared	609 561	678 993	447 808	303 037
Dividend paid	(609 561)	(678 993)	(447 808)	(303 037)
Dividend not yet paid	**-**	**-**	**-**	**-**

20. Notes to the Group statement of cash flows

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
20.1 Cash generated from operations				
Profit before tax	6 307 506	4 363 046	10 093 803	6 483 531
Depreciation and amortisation	1 087 187	752 503	34 701	21 319
Exchange loss / (gains)	(29 268)	103 485	23 876	152 894
Net movement in post retirement provisions	7 403	(555 061)	5 403	34 329
Gross movement in provisions	235 505	185 218	494 910	284 347
Movement attributable to reserves	(228 102)	(740 279)	(489 507)	(250 018)
Monetary loss	(192 393)	(774 362)	-	-
Net finance charges / (income)	445 293	42 141	111 567	(13 278)
Share of associate companies' profit after tax	(120 514)	(235 967)	(89 521)	(100 792)
Loss / (profit) on disposal of property, plant and equipment	4 121	132	(17 862)	49
Fair value loss/(gain) on biological assets	(4 208 640)	529 707	(6 968 568)	(2 591 674)
	3 300 695	**4 225 624**	**3 193 399**	**3 986 378**

20.2 Changes in working capital

(Increase)/decrease in inventories	(2 156 917)	1 228 835	(2 342 019)	(1 583 916)
Increase in accounts receivables	(1 826 208)	(1 539 267)	(3 313 422)	(1 741 860)
Increase in accounts payable	1 189 142	1 569 743	2 619 044	1 583 094
Increase in leave pay	236 123	45 873	264 447	35 321
Movement in non-current financial assets (note 31)	-	12 416	-	22 549
	(2 557 860)	**1 317 600**	**(2 771 950)**	**(1 684 812)**

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

Carrying amount of property, plant, equipment and intangible assets disposed of	25 942	208	348	93
(Loss) / profit on disposal	(4 121)	(132)	17 862	(49)
Proceeds from Disposal	**21 821**	**76**	**18 210**	**44**

21. Directors' emoluments

In respect of services as Directors	26 540	34 104	21 441	16 180
In respect of managerial services	99 534	70 669	75 232	27 537
	126 074	**104 773**	**96 673**	**43 717**

22. Employee benefit expense

Short-term benefits	6 311 911	5 267 926	4 608 353	2 052 324
Post-employment benefits	241 354	88 644	176 213	34 535
	6 553 265	**5 356 570**	**4 784 566**	**2 086 859**

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 97% 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	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Sugar revenue	29 072 210	27 626 003	21 873 891	12 238 099

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

	INFLATION ADJUSTED		HISTORICAL COST	
Trade accounts receivables/(payables):	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Triangle Limited - loan receivable (i)	2 010 688	770 135	2 010 688	445 951
NCPDZ- Associate Company	-	2 980	-	1 726
Tongaat Hulett Botswana (Proprietary) Limited - Associate Company (THB)	28 102	-	28 102	-
Tongaat Hulett Limited (Tongaat Hulett) - Parent Company (TH)	(535 873)	(497 405)	(535 873)	(256 206)

(i) 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 2022 is denominated in both United States dollars and Zimbabwean dollars, accruing interest at a rate of 7.5% and 40% 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 NCPDZ, Triangle and THB . Expected credit loss amount of ZWL19 881 559 (2021: Nil) in respect of these balances was raised and recognized as an expense in the statement of profit or loss and other comprehensive income.

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.

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Triangle Limited				
- Sales	982 695	450 898	717 470	175 665
- Operating expenses	(182 316)	(126 867)	(133 110)	(49 426)
- Interest	206 041	10 552	177 626	4 111
- Directors' fees	(15 720)	(14 179)	(11 477)	(5 524)
	990 700	320 404	750 509	124 826
Tongaat Hulett				
- Group support service fees	388 006	330 965	283 285	128 940
NCPDZ				
- Molasses sales	13 989	8 474	8 100	1 726
Tongaat Hulett Botswana (Proprietary) Limited				
- Sugar sales	673 396	665 452	439 258	266 967

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	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Short-term benefits	670 473	219 023	489 515	85 329
Post-employment benefits	75 819	7 054	55 356	2 748
	746 292	**226 077**	**544 871**	**88 077**

25. Segmental reporting

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

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 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	12 702 992	29 876 827	43 363	42 623 182
Inter segment revenue	(12 503 542)	-	(11 883)	(12 515 425)
Revenue from external customers	**199 450**	**29 876 827**	**31 480**	**30 107 757**
Adjusted EBITDA	2 995 642	129 392	9 794	3 134 828
Fair value adjustment on biological assets	4 166 329	-	42 311	4 208 640
Depreciation and amortisation	(766 422)	(316 518)	(4 247)	(1 087 187)
Operating profit/(loss)	**6 395 549**	**(187 126)**	**47 858**	**6 256 281**
Total non-current assets	4 175 269	**1 775 075**	**2 239 035**	**8 189 379**

'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	8 189 379
Right - of - use asset	8 564
Unallocated: Investments in associated companies	661 139
Total non-current assets per statement of financial position	**8 859 082**

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

	INFLATION ADJUSTED			
	Agriculture 31.03.21 ZWL'000	Milling 31.03.21 ZWL'000	Gaming and other farming activities 31.03.21 ZWL'000	Total 31.03.21 ZWL'000
Total segment revenue	15 954 796	28 613 555	153 977	44 722 328
Inter segment revenue	(15 685 651)	-	(106 072)	(15 791 723)
Revenue from external customers	**269 145**	**28 613 555**	**47 905**	**28 930 605**
Adjusted EBITDA	2 755 793	3 462 199	(102 555)	6 115 437
Fair value adjustment on biological assets	(495 638)	-	(34 068)	(529 706)
Depreciation and amortisation	(580 650)	(171 119)	(734)	(752 503)
Operating profit/(loss)	**1 679 505**	**3 291 080**	**(137 357)**	**4 833 228**
Total non-current assets	**4 828 230**	**1 930 843**	**1 678 808**	**8 437 881**

25. Segmental reporting (continued)

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

	31.03.21 ZWL'000
Segment non-current assets for reportable segments	8 437 881
Long term receivables	-
Right - of - use asset	15 659
Unallocated: Investments in associated companies	499 792
Total non-current assets per statement of financial position	**8 953 332**

Included in revenues arising from direct sales by the milling segment are revenues of approximately ZWL6 009 279 724 (2021: ZWL1 430 159 248) realised from sales to the Group's largest customer. No other single customer contributed 10% or more to the Group's revenue in 2022.

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**	**270 987**	**991 149**

'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**

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

	HISTORICAL COST			
	Agriculture 31.03.21 ZWL'000	Milling 31.03.21 ZWL'000	Gaming and other farming activities 31.03.21 ZWL'000	Total 31.03.21 ZWL'000
Total segment revenue	7 088 920	12 713 368	68 415	19 870 703
Inter segment revenue	(6 969 335)	-	(47 130)	(7 016 465)
Revenue from external customers	**119 585**	**12 713 368**	**21 285**	**12 854 238**
Adjusted EBITDA	2 151 219	1 496 754	(40 148)	3 607 825
Fair value adjustment on biological assets	2 559 203	-	32 471	2 591 674
Depreciation and amortisation	(16 450)	(4 848)	(21)	(21 319)
Operating profit/(loss)	**4 693 972**	**1 491 906**	**(7 698)**	**6 178 180**
Total non-current assets	**211 008**	**84 384**	**73 369**	**368 761**

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

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

26. Directors' shareholding

Ordinary shares held by Directors	Number of shares held 31.03.22	Number of shares held 31.03.21
Non-beneficial shareholding		
L R Bruce	-	100
J P Maposa	-	100
Total Directors' shareholding	**-**	**200**

Messrs. L. R Bruce and J P Maphosa ceases to be directors of the board in the current year per the update contained in the Directors Report on page 17-18.

27. Capital expenditure commitments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Commitments for capital expenditure				
Contracted for	164 898	323 369	164 898	187 248
Authorised but not contracted for	76 988	27 080	76 988	15 681
	241 886	**350 449**	**241 886**	**202 929**

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

28. Going concern

28.1 Introduction

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

28.1.1 Land acquisition

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

In terms of the Land Acquisition Act (Chapter 20:10) and Constitutional Amendment No. 17 of 2005 the ownership of productive land to which the Group and Company have unfettered right of use, totalling 54 205 hectares is now vested in the State. Further to the previous update on progress with regard to land tenor, the Company is pleased to advise that as at 31 March 2022, the Minister of Lands, Agriculture, Fisheries, Water and Rural Development had initiated the process for the issuance of 99-year leases with 1 lease out of 8 lease blocks issued in respect of Hippo Valley North. In consultations with the Ministry, the Company has requested certain changes to be effected on the lease documents, a process now being undertaken by Government Attorneys. The Minister has assured the Company that the balance of leases will be signed once the review of the 99-year lease document has been completed. Notwithstanding the derecognition of the land and the absence of a full 99-year lease, the Directors are satisfied that the future economic benefits to be derived from the use of the Government acquired land will continue to flow to the Group and Company. Consequently, the Directors believe that the presentation of the financial statements on a going concern basis is still appropriate.

28.1.2 Impact of COVID-19

At the time of reporting, the Company has not experienced any major disruptions to its operations with all key activities that include sugar cane maintenance, harvesting, sugar packing and distribution operations progressing satisfactorily. Sugar milling for the season commenced on 20 May 2021 following a successful off-crop program. As part of its risk mitigation strategy, the Company developed a robust Business Continuity Plan (BCP) in which COVID-19 is continuously being monitored.

28.1.3 Impact of hyperinflation and recent developments

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 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 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. 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.

Recent developments arising from the Russia and Ukraine War have resulted in increased supply chain challenges for agriculture (e.g., prices of fertiliser) and fuel. This has negatively impacted supply and cost of our raw materials. Procurement strategies for key raw materials have been enhanced in order to mitigate this risk.

29. Financial instruments

29.1 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 maximising the return to stakeholders through an appropriate debt and equity balance. The Group's strategy remains relatively unchanged from 2021. 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.

29.1.1 Gearing ratio

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

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Debt (i)	1 233 930	12 972	1 233 930	4 315
Cash and bank balances	(770 605)	(1 529 639)	(770 605)	(885 745)
Net (cash) / debt	**463 325**	**(1 516 667)**	**463 325**	**(881 430)**
Equity (ii)	19 441 898	16 227 301	12 641 647	5 774 894
Debt plus Equity	20 675 830	16 240 274	13 875 577	5 779 209
Gearing ratio	**5.97%**	**0.08%**	**8.89%**	**0.07%**
Net debt to equity ratio	**2.38%**	**N/A**	**3.67%**	**N/A**

(i) Debt is defined as long-term and short-term borrowings and lease liabilities.
(ii) Equity includes all capital and reserves of the Group and Company that are managed as capital.

29.2 Significant accounting policies

Details of the significant accounting policies and methods adopted (including the criteria for recognition, the bases of measurement and the bases for recognition of income and expenses), for each class of financial asset, financial liability and equity instrument are disclosed in significant accounting policy note 7 to the financial statements.

29.3 Categories of financial instruments

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
Financial assets				
Amortised cost				
Cash and cash equivalents	770 605	1 529 639	770 605	885 745
Financial assets in trade and other receivables	4 562 467	2 499 469	4 562 467	1 488 607
Total trade and other receivables (note 7)	5 405 571	3 442 767	5 309 452	1 993 551
Less: Prepayments	(711 372)	(897 192)	(615 253)	(478 246)
VAT	(131 732)	(46 106)	(131 732)	(26 698)
	5 333 072	**4 029 108**	**5 333 072**	**2 374 352**
Financial liabilities				
Amortised cost				
Trade and other payables	4 390 137	3 346 936	4 390 137	1 938 061
Borrowings (note 14)	1 227 594	-	1 227 594	-
Lease liabilities (note 13)	6 337	12 973	6 337	7 512
	5 624 068	**3 359 909**	**5 624 068**	**1 945 573**

29.4 Fair value of financial instruments

Valuation techniques and assumptions applied for the purposes of measuring fair value

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

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

29.5 Financial risk management objectives

The Board through the Audit Committee and in conjunction with relevant senior management manages the financial risks relating to the operations of the Group 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.

29.6 Market risk

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

29.7 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.

29.7.1 Interest rate sensitivity analysis

The sensitivity analysis below has been determined based on the exposure to interest rates for financial liabilities held at the end of the reporting period. A 150% (2021: 1%) increase or decrease in 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. The change from 1% in prior year to 150% in current year was on account of the movement in interest rate from 40% to a prescribed minimum lending rate of 200% for corporates.

There is no impact on other comprehensive income.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Statement of Profit or Loss and Other Comprehensive Income / Equity	840 819	2 781	840 819	1 089

The change in prior year is based on interest charge which now excludes foreign exchange impact. The change has no impact on statement of profit or loss and other comprehensive income / equity.

29.8 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 1% to 150% 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	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Exposure to payables (GBP)	(194)	(336)	-	-
Exposure to payables/receivables (US$)	6 900	(14)	143 021	234 586
Exposure to payables/receivables (ZAR)	26 477	39 452	50	3 232
	33 183	**39 102**	**143 071**	**237 818**

HISTORICAL COST

	Liabilities		Assets	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Exposure to payables (GBP)	(194)	(194)	-	-
Exposure to payables/receivables (US$)	6 900	8	143 021	135 838
Exposure to payables/receivables (ZAR)	26 477	22 845	50	1 872
	33 183	**(22 643)**	**143 071**	**137 710**

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

29.8.1 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 150% increase and decrease in the ZWL exchange rate against the relevant foreign currencies. 150% 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 150% 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 150% against the relevant currency. For a 150% 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**	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Change by 150%				
Statement of comprehensive income	204 182	23 492	(39 641)	(3 622)

HISTORICAL COST	**US$ Impact (Decrease)/Increase**		**ZAR Impact (Decrease)/Increase**	
	31.03.22 ZWL'000	**31.03.21 ZWL'000**	**31.03.22 ZWL'000**	**31.03.21 ZWL'000**
Change by 150%				
Statement of comprehensive income	204 182	13 603	(39 641)	(2 097)

29.9 Other price risks

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

29.10 Credit risk management

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Group. The Group has adopted a policy of only dealing with creditworthy counterparties. This is managed by a separate marketing arm of the Sugar Industry - ZSS which largely sells to long established customers.

29.11 Liquidity risk management

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

29.11.1 Liquidity and interest risk tables

The following tables detail the Group's remaining contractual maturity for its non-derivative financial liabilities with agreed repayment periods. The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Group can be required to pay. The tables include both interest and principal cash flows.

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		4 390 137	-	-	-	**4 390 137**
Fixed rate loans						
Stanbic –USD	7%	-	-	319 029	102 648	**421 677**
Stanbic	40%	-	-	750 000	-	**750 000**
CABS Overdraft	45%	-	-	40 828		**40 828**
		4 390 137	**-**	**1 109 857**	**102 648**	**5 602 642**

INFLATION ADJUSTED

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 years ZWL'000	Total ZWL'000
31.03.21						
Trade and other payables	-	3 348 933	-	-	-	**3 348 933**
		3 348 933	**-**	**-**	**-**	**3 348 933**

HISTORICAL COST

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 years ZWL'000	Total ZWL'000
31.03.22						
Trade and other payables		4 390 137	-	-	-	**4 390 137**
Fixed rate loans						
Stanbic –USD	7%	-	-	319 029	102 648	**421 677**
Stanbic	40%	-	-	750 000	-	**750 000**
CABS Overdraft	45%	-	-	40 828		**40 828**
		4 390 137	**-**	**1 109 857**	**102 648**	**5 602 642**

HISTORICAL COST

	Weighted average interest rate %	Less than 1 month ZWL'000	1 - 3 months ZWL'000	3 months to 1 year ZWL'000	1 - 5 years ZWL'000	Total ZWL'000
31.03.21						
Trade and other payables	-	1 938 061	-	-	-	**1 938 061**
		1 938 061	**-**	**-**	**-**	**1 938 061**

29. Financial instruments (continued)

29.11.2 Financial facilities

Unsecured loan facilities with various maturity dates through to 31 March 2022 and which may be extended by mutual agreement.

	INFLATION ADJUSTED		HISTORICAL COST	
	31.03.22 ZWL'000	31.03.21 ZWL'000	31.03.22 ZWL'000	31.03.21 ZWL'000
First Capital Bank				
- amount used	-	-	-	-
- amount unused	-	69 078	-	40 000
	-	**69 078**	**-**	**40 000**
CABS				
- amount used	-	-	-	-
- amount unused	3 358	-	3 358	-
	3 358	**-**	3 358	**-**
CBZ Bank				
- amount used	40 829	-	40 829	-
- amount unused	409 171	86 348	409 171	50 000
	450 000	**86 348**	**450 000**	**50 000**
Stanbic Bank				
- amount used	1 186 766	-	1 186 766	-
- amount unused	949 589	379 929	949 589	220 000
	2 136 355	**379 929**	**2 136 355**	**220 000**
ABC Bank				
- amount used	-	-	-	-
- amount unused	-	34 539	-	20 000
	-	**34 539**	-	**20 000**
Total facilities available				
Analysed as follows:	**2 589 714**	**569 894**	**2 589 714**	**330 000**
- total amount used	1 227 595	-	1 227 595	-
- total amount unused	1 362 119	569 894	1 362 119	330 000

30. Restatement of prior year financial statements: inflation adjusted cost of sales

IAS 29 Financial Reporting in Hyperinflationary Economies (IAS 29) requires all items in the statement of comprehensive income to be presented in terms of the measuring unit current at the end of the reporting period, by applying the change in the general price index from the dates when the items of income and expenses were initially recorded in the financial statements.

Since IAS 29 became applicable to entities in Zimbabwe, the Group and Company has consistently used the direct method to adjust 'cost of sales' for hyperinflation. In terms of the direct method, monthly inflation indices are used to adjust the historical monthly 'cost of sales' expense. Management believed this method to be compliant with IAS 29 and had applied it in its previously audited annual financial statements. In the current year, as part of the auditor transition, management has reviewed the use of the direct method in respect of 'cost of sales'.

After due consideration, the Group and Company has revised its approach and retrospectively applied the indirect method to hyperinflate 'cost of sales'. In terms of the indirect method, each component used to determine the 'cost of sales' expense (opening stock, production costs and closing stock) is adjusted for hyperinflation separately rather than adjusting 'cost of sales' as a whole. The use of the indirect method aligns the method used to adjust 'cost of sales' with that used for 'depreciation' and 'fair value movements on biological assets' and improves the relationship between the inflation adjustments applied to the statement of financial position and those applied to the statement of comprehensive income.

This revision has resulted in a restatement of amounts in the statement of comprehensive Income between 'cost of sales', 'taxation' and 'net monetary loss' with effect from 1 April 2020. While operating profit has decreased, there has been no impact on profit for the year, total earnings per share (basic and diluted), net cash flows nor the statement of financial position.

The impact of change in determination of inflation adjusted cost of sales on the Group Statement of profit or Loss and Other Comprehensive Income

	INFLATION ADJUSTED Year ended 31 .03.21 ZWL'000
Increase in cost of sales	(3 099 702)
Decrease in profit	**(3 099 702)**
Decrease in monetary loss	2 333 456
Decrease in profit before tax	**(766 246)**
Decrease in tax expense	766 246
Change in profit for the year	-
Increase in basic and diluted earnings per share	-

Impact of change in determination of inflation adjusted cost of sales on Group Statement of Financial position

The change in determination of inflation adjusted cost of sales had no impact on the Group Statement of Financial Position.

31. Change in presentation on consolidated and separate Statement of Cash flow

	INFLATION ADJUSTED			HISTORICAL COST		
	Restated ZWL'000	Restatements ZWL'000	Previously reported ZWL'000	Restated ZWL'000	Restatements ZWL'000	Previously reported ZWL'000
Cash flows from operating activities						
Net finance charges (i)	42 142	197 866	(155 724)	(13 278)	191 281	(204 559)
Share based payments (ii)	-	(12 467)	12 467	-	(7 219)	7 219
Changes in working capital						
Movement in non-current financial assets (ii)	12 416	12 416	-	22 549	22 549	-
Share based payments (ii)	12 467	12 467	-	7 219	7 219	-
Cash flows from investing activities						
Right of use assets (iii)	-	12 792	(12 792)	-	5 919	(5 919)
Movement in non-current financial assets (ii)	-	(12 416)	12 416	-	(22 549)	22 549
Cash flows from financing activities						
Lease financing raised (iii)	(12 792)	(12 792)	-	(5 919)	(5 919)	-
Movement in cash and cash equivalents						
Net cash (outflow) / inflow from operating activities	67 025	210 282	(143 257)	16 490	213 830	(197 340)
Net cash (outflow) / inflow from investing activities	-	376	(376)	-	(16 630)	16 630
Net cash inflow / (outflow) from financing activities	(12 792)	(12 792)	-	(5 919)	(5 919)	-
Inflation effects on cash and cash equivalents	-	-	-	-	-	-
Net foreign exchange difference (i)	(197 866)	(197 866)	-	(191 281)	(191 281)	-
Net impact on cash and cash equivalents	(143 633)	-	(143 633)	(180 710)	-	(180 710)

(i) - In the prior year, net foreign exchange difference on cash balances was incorrectly omitted and not separately presented in the reconciliation of cash and cash equivalents at the end of the year. Net finance charges included net foreign exchange difference which has now been presented separately.

(ii) - The movement in non-current financial assets which was incorrectly presented under investing activities has now been presented under operating activities. Share based payments which were presented under cash flow from operating activities have now been presented under working capital changes.

(iii) - The movement in right of use asset which was incorrectly presented under investing activities, has now been presented under financing activities. This has now been corrected to reflect only cash flows arising from leasing activities.

These changes have no material impact on previously reported numbers.

32. Biological assets : disclosures requirements for a prior period error

IAS 8 paragraph 42 states that an entity shall correct material prior period errors retrospectively in the first set of financial statements authorised for issue after their discovery by:

a) restating the comparative amounts for the prior period(s) presented in which the error occurred; or
b) if the error occurred before the earliest prior period presented, restating the opening balances of assets, liabilities and equity for the earliest prior period presented.

In applying paragraph 42 of IAS 8, an entity shall disclose the following:

a) the nature of the prior period error;
b) for each prior period presented, to the extent practicable, the amount of the correction:
   i) for each financial statement line item affected; and
   ii) if IAS 33 applies to the entity, the basic and diluted earnings per share;

c) the amount of the correction at the beginning of the earliest prior period presented; and
d) if retrospective restatement is impracticable [Refer: paragraphs 5 (definition of impracticable) and 50 - 53] for a particular prior period, the circumstances that led to the existence of that condition and a description of how and from when the error has been corrected (IAS 8 paragraph 49).

Disclosure notes

As required by IAS 41 Biological Assets, the Group and Company measure standing cane at fair value less costs to sell. In the prior year, the fair value measurements were done in reference to a weighted average figure which is derived from the cost of sugar inventory. However, in the financial year ended 31 March 2022, management noted a significant difference between closing values and average values due the hyperinflationary economic environment in Zimbabwe. This prompted an assessment of whether the manner in which fair value was being determined is in line with IFRS 13 Fair Value. The assessment concluded that incorrect values were being used in the determination of fair value resulting in an error in the prior period.

The error has been corrected by restating each of the affected financial statement line items for the prior period affected as follows:

Impact on equity [increase/(decrease) in equity]

	INFLATION ADJUSTED	HISTORICAL COST
	31 March 2021	**31 March 2021**
	ZWL'000	**ZWL'000**
Biological assets	1 362 015	788 681
Total assets	**1 362 015**	**788 681**
Deferred tax	(336 690)	(194 962)
Total liabilities	**(336 690)**	**(194 962)**
Net impact on equity	**1 025 325**	**593 719**

Impact on statement of profit or loss [increase/(decrease) in profit]

	INFLATION ADJUSTED	HISTORICAL COST
	31 March 2021	**31 March 2021**
	ZWL'000	**ZWL'000**
Fair value (loss)/gain on biological assets	1 362 015	788 681
Income tax expense	**(336 690)**	**(194 962)**
Net impact on profit for the year	**1 025 325**	**593 719**
Attributable to:		
Equity holders of the parent	**1 025 325**	**593 719**
Non-controlling interests	-	-

Impact on basic and diluted earnings per share (EPS) [increase/(decrease) in EPS]

	INFLATION ADJUSTED ZWL (cents)	HISTORICAL COST ZWL (cents)
Earnings per share		
Basic, profit for the year attributable to ordinary equity holders of the parent	0.53	0.31
Diluted, profit for the year attributable to ordinary equity holders of the parent	0.53	0.31

The change had no impact on Other Comprehensive Income and on the Statement of Cashflows.

33. Inventory valuation : disclosures requirements for change in accounting estimate

IAS 8 paragraphs 38 and 39 state that an entity shall disclose the nature and amount of a change in an accounting estimate that has an effect in the current period or is expected to have an effect in future periods, except for the disclosure of the effect on future periods when it is impracticable to estimate that effect. If the amount of the effect in future periods is not disclosed because estimating it is impracticable, an entity shall disclose that fact.

A change in accounting estimate has been applied in the current period at the end of the financial year. The effect on the current year is to increase the carrying amount of inventory at the end of the year by ZWL 1 018 076 396 for inflation adjusted and decrease by ZWL 32 146 225 for historical.

The effect of the change in estimate on future periods is not disclosed because it is not practicable to make the estimate. This is so as estimates of future inventory stocks and future estimates of the costing of inventory in a deteriorating and hyperinflationary environment are required. This increases uncertainty and increases the difficulty to distinguish objectively information about those estimates.

Impact on statement of profit or loss and other comprehensive income

	INFLATION ADJUSTED	HISTORICAL COST
	31 March 2022 ZWL'000	**31 March 2022 ZWL'000**
(Increase) / decrease in cost of sales	1 018 076	(32 146)
(Decrease) / increase in profit	**1 018 076**	**(32 146)**
(Decrease) / increase in profit before tax	**1 018 076**	**(32 146)**
Decrease / (increase) in tax expense	(251 669)	7 946
(Decrease) / increase in profit for the year	**766 407**	**(24 200)**

Impact on statement of financial position

	INFLATION ADJUSTED	HISTORICAL COST
	31 March 2022 ZWL'000	**31 March 2022 ZWL'000**
(Decrease) / increase in inventory	1 018 076	(32 146)
(Decrease) / increase in total assets	**1 018 076**	**(32 146)**
(Decrease) / increase in retained earnings	766 407	(24 200)
Decrease in current tax liability	(7 946)	(7 946)
Increase in deferred tax liability	259 615	-
(Decrease) / increase in total equity and liabilities	**1 018 076**	**(32 146)**

34. Company information

The Company statement of financial position, statement of profit or loss and other comprehensive income, cash flow statement, statement of changes in equity and some specific notes have been included on pages 90 - 96. The other notes which are similar between Group and Company have only been shown under Group accounts and references to these notes also included on the face of Company financials. Consequently the directors believe that the Group financial statements comply with the Companies and Other Business Entities Act (Chapter 24:31) in all material respects.

35.Subsequent events

After year-end the Government of Zimbabwe announced changes regarding the determination of the official exchange rate by introducing the willing buyer willing seller rate. While the business continues to assess these changes, it does not expect a significant impact to its operations. The Reserve Bank of Zimbabwe adjusted the minimum lending rate in ZWL for corporates to 200% with effect from 1 July 2022. The Group and Company will continue to monitor their borrowings so as to manage interest rate exposure.

36. Contingent assets and liabilities

The Group and Company do not have contingent assets nor liabilities at year end.

Company Statement of Financial Position

As at 31 March 2022

		INFLATION ADJUSTED		HISTORICAL COST*	
		31.03.22 ZWL'000	31.03.21 ZWL'000 Restated	31.03.22 ZWL'000	31.03. 21 ZWL'000 Restated
ASSETS	**Notes**				
Non-current assets		**8 360 029**	**8 615 626**	**996 424**	**376 000**
Property, plant and equipment	4.3	8 138 269	8 258 774	979 550	366 039
Intangible assets	4.6	51 110	179 107	11 600	2 722
Investments in associate companies		162 086	162 086	1 718	1 718
Right of use asset	4.7	8 564	15 659	3 556	5 521
Current assets		**22 434 773**	**15 052 685**	**21 153 530**	**8 644 705**
Biological assets***	6	10 765 143	6 556 503	10 765 143	3 796 576
Inventories #	37	5 493 454	3 524 350	4 308 330	1 968 609
Accounts receivable	38	5 405 571	3 442 193	5 309 452	1 993 775
Cash and cash equivalents		770 605	1 529 639	770 605	885 745
Total assets		**30 794 802**	**23 668 311**	**22 149 954**	**9 020 705**
EQUITY AND LIABILITIES					
Capital and reserves		**18 977 968**	**15 943 463**	**12 420 090**	**5 608 657**
Issued capital	9.1	1 148 884	1 148 884	15 442	15 442
Other components of equity		(156 992)	(156 992)	50 794	50 794
Retained earnings		17 986 076	14 951 571	12 353 854	5 542 421
Non-current liabilities		**5 542 611**	**4 038 194**	**3 434 228**	**1 277 271**
Deferred tax liabilities	39	4 638 400	3 419 239	2 530 017	918 863
Provisions**	12.1	783 648	611 502	783 648	354 093
Lease liability	13	2 826	7 453	2 826	4 315
Borrowings		117 737	-	117 737	-
Current liabilities		**6 274 223**	**3 686 654**	**6 295 636**	**2 134 777**
Trade and other payables	11	4 539 976	3 346 936	4 561 389	1 938 061
Leave pay provision	12.2	303 409	67 286	303 409	38 962
Borrowings	14.1	1 109 857	-	1 109 857	-
Current tax liability		249 366	262 166	249 366	151 809
Lease Liability	13	3 511	5 520	3 511	3 197
Provisions**		68 104	4 746	68 104	2 748
Total equity and liabilities		**30 794 802**	**23 668 311**	**22 149 954**	**9 020 705**

** Refer to note 12.1.3   *** Refer to note 32   # Refer to note 33

* 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
Group Finance Director

Company Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 March 2022

		INFLATION ADJUSTED		HISTORICAL COST*	
	Notes	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000 Restated^#	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000 Restated#
Revenue		30 107 757	28 930 605	22 676 207	12 854 238
Cost of sales	15	(19 913 929)	(15 054 419)	(13 550 523)	(5 445 559)
Gross profit		**10 193 828**	**13 876 186**	**9 125 684**	**7 408 679**
Marketing and selling expenses	15	(3 185 178)	(4 274 168)	(2 327 903)	(1 876 435)
Administrative and other expenses		(5 320 643)	(4 043 295)	(3 974 317)	(1 828 284)
Expected credit losses		(67 558)	(93 948)	(67 558)	(54 401)
Fair value adjustment on biological assets	15	4 208 640	(529 706)	6 968 568	2 591 674
Other operating income/expenses		427 192	(101 841)	262 248	(63 053)
Operating profit		**6 256 281**	**4 833 228**	**9 986 722**	**6 178 180**
Dividends received		159 668	194 702	105 032	104 906
Net monetary loss		(49 592)	(993 219)	-	-
Net finance charges	16	(261 682)	155 724	17 560	204 559
Interest paid-loans		(907 163)	(278 093)	(525 512)	(108 947)
Interest received		645 481	433 817	543 072	313 506
Profit before tax		**6 104 675**	**4 190 435**	**10 109 314**	**6 487 645**
Income tax expense	17.1	(2 213 206)	(1 393 663)	(2 674 111)	(1 669 028)
Profit for the year		**3 891 469**	**2 796 772**	**7 435 203**	**4 818 617**
Other comprehensive income					
Items that will not be reclassified subsequently to profit or loss					
- Actuarial loss on post retirement provision		(351 614)	(641 748)	(256 714)	(250 018)
- Tax effect		86 919	158 640	63 460	61 805
Total comprehensive income for the year		**3 626 774**	**2 313 664**	**7 241 949**	**4 630 402**
Basic and diluted earnings per share (ZWL cents)	39	2 016	1 449	3 852	2 496

* 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.

^ Refer to note 30 on notes to consolidated and separate financial statements.
\# Fair value adjustment on biological assets was previously presented as part of turnover and has now been presented after gross profit as this does not relates to turnover for the period.

Company Statement of Changes in Equity

For the year ended 31 March 2022

INFLATION ADJUSTED

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2020	**1 148 884**	**(156 992)**	**13 350 997**	**14 342 889**
Comprehensive income for the year	-	-	2 313 664	2 313 664
Profit for the year	-	-	2 796 772	2 796 772
Other comprehensive loss	-	-	(483 108)	(483 108)
Share based expense	-	-	(34 097)	(34 097)
Dividend (note 19)	-	-	(678 993)	(678 993)
Balance at 31 March 2021 (Restated)	**1 148 884**	**(156 992)**	**14 951 571**	**15 943 463**
Comprehensive income for the year	-	-	3 626 774	3 626 774
Profit for the year	-	-	3 891 469	3 891 469
Other comprehensive loss	-	-	(264 695)	(264 695)
Share based payment	-	-	17 292	17 292
Dividend (note 19)	-	-	(609 561)	(609 561)
Balance at 31 March 2022	**1 148 884**	**(156 992)**	**17 986 076**	**18 977 968**

HISTORICAL COST*

	Issued share capital ZWL'000	Other components of equity ZWL'000	Retained earnings ZWL'000	Total ZWL'000
Balance at 31 March 2020	**15 442**	**50 794**	**1 234 801**	**1 301 037**
Comprehensive income for the year	-	-	4 630 404	4 630 404
Profit for the year	-	-	4 818 617	4 818 617
Other comprehensive loss	-	-	(188 213)	(188 213)
Share based expense	-	-	(19 745)	(19 745)
Dividend (note 19)	-	-	(303 037)	(303 037)
Balance at 31 March 2021 (Restated)	**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)
Share based payment	-	-	17 292	17 292
Dividend (note 19)	-	-	(447 808)	(447 808)
Balance at 31 March 2022	**15 442**	**50 794**	**12 353 856**	**12 420 092**

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

Company Statement of Cash Flows

For the year ended 31 March 2022

	Notes	INFLATION ADJUSTED Year ended 31.03.22 ZWL'000	INFLATION ADJUSTED Year ended 31.03.21 ZWL'000 Restated^	HISTORICAL COST* Year ended 31.03.22 ZWL'000	HISTORICAL COST* Year ended 31.03.21 ZWL'000 Restated^
Cash flows from operating activities					
Cash generated from operations	40.1	3 300 695	4 225 624	3 193 399	3 986 378
Changes in working capital	40.2	(2 557 860)	1 317 600	(2 771 950)	(1 684 812)
Net cash generated from operations		**742 835**	**5 543 224**	**421 449**	**2 301 566**
Net finance income received		444 897	56 669	402 520	51 826
Interest paid-loans		(222 161)	(179 285)	(162 128)	(70 399)
Interest received		667 058	235 954	564 648	122 225
Tax paid		(1 235 296)	(2 285 645)	(901 895)	(931 336)
Net cash inflow/ (outflow) from operating activities		**(47 564)**	**3 314 248**	**(77 926)**	**1 422 056**
Cash flows from investing activities					
Additions to property, plant, equipment and intangible assets		(856 784)	(630 833)	(654 726)	(246 205)
- Other property, plant, equipment and intangible assets		(544 458)	(241 919)	(425 820)	(117 660)
- Cane roots		(312 326)	(388 914)	(228 906)	(128 545)
Dividends received from associated companies		159 668	194 702	105 032	104 906
Proceeds on disposal of property, plant, equipment and intangible assets	20.3	21 821	76	18 210	44
Net cash outflow from investing activities		**(675 295)**	**(436 055)**	**(531 484)**	**(141 255)**
Net cash (inflow)/outflow before financing activities		**(722 859)**	**2 878 193**	**(609 410)**	**1 280 801**
Cash flows from financing activities					
Proceeds from borrowings		3 895 559	757 894	2 844 165	295 267
Repayment of borrowings		(2 425 481)	(875 517)	(1 770 854)	(315 267)
Dividend paid	19	(609 561)	(678 993)	(447 808)	(303 037)
Lease financing		(4 544)	4 499	(2 108)	39
Net cash outflow/(inflow) from financing activities		**855 973**	**(792 117)**	**623 395**	**(322 998)**
Movement in cash and cash equivalents					
Cash and cash equivalents at beginning of year		1 529 639	701 168	885 745	119 223
Net cash inflow/(outflow) from operating activities		(47 564)	3 314 248	(77 926)	1 422 056
Net cash outflow from investing activities		(675 295)	(436 055)	(531 484)	(141 255)
Net cash outflow/(inflow) from financing activities		855 973	(792 117)	623 395	(322 998)
Inflation effects on cash and cash equivalent		(708 537)	(1 059 739)	-	-
Net foreign exchange difference		(183 611)	(197 866)	(129 125)	(191 281)
Cash and cash equivalents at end of year		**770 605**	**1 529 639**	**770 605**	**885 745**
Comprising of:		**770 605**	**1 529 639**	**770 605**	**885 745**
Cash at bank		769 837	1 529 500	769 837	885 664
Cash on hand		768	139	768	81

* 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.

^ Refer to note 30 and 31 on notes to consolidated and separate financial statements.

37. Inventories

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Stores	2 334 661	1 974 135	2 249 221	1 026 454
Sugar and by products	3 158 793	1 550 215	2 059 109	942 155
	5 493 454	**3 524 350**	**4 308 330**	**1 968 609**

For additional disclosure refer to note 8 under notes to Consolidated and Separate financial statements

38. Accounts receivables

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Trade Receivables				
Sugar receivables	1 426 936	849 740	1 426 936	496 815
Molasses receivables	12 870	12 635	12 870	2 547
Allowance for credit losses	(18 055)	(16 669)	(18 055)	(9 652)
	1 421 751	**845 706**	**1 421 751**	**489 710**
Other Receivables				
Prepayments	711 372	897 192	615 253	478 246
VAT receivable	131 732	46 106	131 732	26 698
Staff receivables	14 718	17 852	14 718	9 502
Private farmers	93 256	34 316	93 256	19 871
Sundry (game, safari and citrus)	3 184 992	1 761 792	3 184 992	1 062 843
Allowance for credit losses	(152 250)	(160 771)	(152 250)	(93 095)
Other receivables	**3 983 820**	**2 596 487**	**3 887 701**	**1 504 065**
Total trade and other receivables	**5 405 571**	**3 442 193**	**5 309 452**	**1 993 775**

For additional disclosure refer to note 7 under notes to Consolidated and Separate financial statements.

39. Deferred Tax

	INFLATION ADJUSTED		HISTORICAL COST	
	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000	As at 31.03.22 ZWL'000	As at 31.03.21 ZWL'000
Balance at the beginning of the year	3 419 239	3 710 757	918 863	334 694
Movement through OCI actuarial gain on post retirement provision	(86 920)	(158 640)	(63 461)	(61 804)
Movement through profit and loss	1 306 081	(132 878)	1 674 615	645 973
Balance at the end of the year	**4 638 400**	**3 419 239**	**2 530 017**	**918 863**
Deferred tax comprises the tax effect of temporary differences arising from:				
Property, plant and equipment	1 870 348	2 148 739	79 200	64 416
Provisions and exchange differences	106 909	(350 268)	(210 326)	(84 066)
Biological assets	2 661 143	1 620 768	2 661 143	938 513
Balance at the end of the year	**4 638 400**	**3 419 239**	**2 530 017**	**918 863**

40. Notes to the Company statement of cash flows

40.1 Cash generated from operations

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Profit before tax	6 104 675	4 190 435	10 109 314	6 487 645
Depreciation and amortisation	1 087 187	752 503	34 701	21 319
Dividend received	(159 668)	(194 702)	(105 032)	(104 906)
Exchange (gains)/loss	(29 268)	103 485	23 876	152 894
Net movement in post retirement provisions	7 402	(555 061)	5 403	34 329
Gross movement in provisions	235 505	185 218	494 910	284 347
Movement attributable to reserves	(228 102)	(740 279)	(489 507)	(250 018)
Monetary loss	49 593	(643 016)	-	-
Net finance charges / (income)	445 293	42 141	111 567	(13 278)
Loss on disposal of property, plant and equipment	4 121	132	(17 862)	49
Fair value (gain)/ loss on biological assets	(4 208 640)	529 707	(6 968 568)	(2 591 674)
	3 300 695	**4 225 624**	**3 193 399**	**3 986 378**

40.1.1 Change in presentation

Chiredzi Township (Pvt) Limited receivables and inventory movement which were previously presented separately under operating activities have now been presented under working capital movement. These changes have no material impact on previously reported numbers.

40.2 Changes in working capital

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Increase in inventories	(2 156 917)	1 228 261	(2 342 019)	(1 583 692)
Increase in accounts receivables	(1 826 208)	(1 538 693)	(3 313 422)	(1 742 084)
Increase in accounts payable	1 189 142	1 569 743	2 619 044	1 583 094
increase in leave pay	236 123	45 873	264 447	35 321
Movement in non-current financial asset	-	12 416	-	22 549
	(2 557 860)	**1 317 600**	**(2 771 950)**	**(1 684 812)**

41. Earnings per share

	INFLATION ADJUSTED		HISTORICAL COST	
	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000	Year ended 31.03.22 ZWL'000	Year ended 31.03.21 ZWL'000
Profit for the year	**3 891 469**	**2 796 772**	**7 435 203**	**4 818 617**
Adjustments:				
Loss/ (Profit) on disposal of property, plant and equipment	4 121	132	(17 862)	49
Headline earnings	**3 895 590**	**2 796 904**	**7 417 341**	**4 818 666**
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	2 016	1 449	3 852	2 496
Headline and diluted headline earnings per share	2 018	1 449	3 843	2 496

42 Other components of equity

INFLATION ADJUSTED

	Other components of equity ZWL'000	Total ZWL'000
Balance at 31 March 2020	(156 992)	(156 992)
Balance at 31 March 2021	(156 992)	(156 992)
Balance at 31 March 2022	(156 992)	(156 992)

HISTORICAL COST

	Other components of equity ZWL'000	Total ZWL'000
Balance at 31 March 2020	50 794	50 794
Balance at 31 March 2021	50 794	50 794
Balance at 31 March 2022	50 794	50 794

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 2022

	Shareholders		Shares	
	Number	**%**	**Number**	**%**
Shareholders registered with Zimbabwean addresses	1 312	82.72	166 496 182	86.26
Shareholders registered with external addresses	274	17.28	26 524 382	13.74
	1 586	**100.00**	**193 020 564**	**100.00**
Shares held by:				
Individuals	1 007	63.49	9 743 013	5.04
Pension funds and insurance companies	284	17.91	54 097 637	28.03
Other corporate bodies	295	18.60	129 179 914	66.93
	1 586	**100.00**	**193 020 564**	**100.00**

Ten largest shareholders as at 31 March 2022

		Number of shares	**%**
1	Triangle Sugar Corporation Limited	97 124 027	50.32
2	Old Mutual Life Assurance Company Zimbabwe Limited	22 767 378	11.80
3	Tate & Lyle Holland B.V.	19 314 480	10.01
4	National Social Security Authority	12 002 759	6.22
5	Stanbic Nominees (Private) Limited –NNR	8 736 917	4.53
6	TN Asset Management Nominees	2 830 515	1.47
7	Mining Industry Pension Fund	2 825 023	1.46
8	Standard Chartered Nominees (Private) Limited	1 583 801	0.82
9	Hippo Valley Estate Pension Fund, via Datvest	798 140	0.41
10	Lagesse Family	797 926	0.41
		168 780 966	**87.45**

Hippo Valley Estates Limited

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the Sixty-Sixth Annual General Meeting (AGM) of members of Hippo Valley Estates Limited will be held virtually at 9am on Thursday, 27 October 2022, 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 2022, together with Report of the Directors and Auditors thereon.

2 Dividend

To approve the interim dividend of ZWL108 cents per share for the year ended 31 March 2022.

3 Directorate

3.1 To note the resignation of Simon Harvey and Owen Hopelife Manasah with effect from 1 December 2021 and 31 March 2022, respectively.

3.2 To note the retirement of Ngoni Kudenga at conclusion of the sixty-sixth Annual General Meeting.

3.3 To re-elect John Gavin Hudson, Rutenhuro James Moyo and Godwin Sweto 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.

3.4 To elect Nyasha Jill Jacqueline Mangwiza, Duduzile Kereditse Shinya, Tapera Masarakufa and Tendai Masawi as Directors, who having been appointed on 1 April 2022, 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.

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

Ordinary Resolution

"Resolve as an ordinary resolution 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 Board 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".

4 Auditors

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

4.2 To appoint Ernst and Young as Auditors of the Company, to hold office from the conclusion of the sixty-sixth Annual General Meeting, until conclusion of the next Annual General Meeting. Ernst & Young have been the Company's Auditors for the past one year.

SPECIAL BUSINESS

5 Adoption of Substituted Memorandum and Articles of Association

To resolve as a Special Resolution, substitution and adoption of a new Memorandum and Articles of Association for the Company compliant with the requirements of the new Companies and Other Business Entities Act (Chapter 24:31).

The amendments include among others, the following:

i. Capturing the amendments made in previous general meetings from 1998 to 2020;

ii Allowing voting by electronic means;

iii. Changing all references to the Companies Act to the Companies and Other Business Entities Act [Chapter 24:31] or its successive legislation;

iv. Amending Articles to reflect that the Company shall have a minimum of seven and a maximum of fifteen directors.

6 Amending Article 89: Borrowing Powers

To increase by fifty-percent the maximum amount that the Company can borrow by resolving as a Special Resolution that:

"The Directors may exercise all the power of the Company to borrow money, and to mortgage or charge its undertaking, property and uncalled capital, or any part thereof, and to issue debentures, debenture stock and other securities, whether outright or as a security for any debt, liability or obligation of the Company or of any third party:

Provided that the amount for the time being remaining undischarged of moneys borrowed or secured by the Directors as aforesaid in respect of amounts owing by the Company and its subsidiaries (but not including amounts owing by the Company to its subsidiaries or vice versa) shall not at any time without the previous sanction of the Company in general meeting exceed an amount equal to the shareholders' funds comprising share capital, non-distributable reserves and distributable reserves but nevertheless no lender or other person dealing with the Company shall be concerned to see or inquire whether this limit is observed. No debt incurred or security given in excess of such limit shall be invalid or ineffectual except in the case of express notice to the lender or the recipient of the security at the time when the date was incurred or security given that the limit hereby imposed had been or was thereby exceeded".

By Order of the Board

P Kadembo
Company Secretary
30 September 2022

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

a subsidiary of
Est. 1892
TongaatHulett

Notes

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

HIPPO VALLEY ESTATES LIMITED

ANNUAL REPORT 2022

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