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Abridged Audited Group Financial Results

FOR THE YEAR ENDED 31 MARCH 2024



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Salient Features For The Year

	INFLATION ADJUSTED	HISTORICAL COST
Revenue	23% Increase	789% Increase
Operating(Loss)/ Profit	-5438% Decrease	-910% Decrease
Profit/ (Loss)before tax	326% Increase	-635% Decrease
Net Assets	38% Increase	2077% Increase

Chairman's Statement

OVERVIEW

I take pleasure in presenting the financial results for the year ended 31 March 2024.

The Group managed to weather a challenging trading and operating environment, marked by a continued depreciation of the local currency, high inflation and policy fluidity.

During the financial year under review, the borrowing rates remained elevated and liquidity tight, as The Reserve Bank of Zimbabwe ("RBZ") continued a tight monetary policy stance to curb inflation and attain exchange rate stability.

The industry welcomes the move by the Government to reinstate import duties on selected products that included white sugar, with effect from 1 February 2024. However, the introduction of tax on added sugar in beverages and additional withholding taxes, as well as the changing of the Value-Added Tax status for white sugar from Zero-rated to Exempt adversely impacts overall demand and margins.

Regardless, the Group remains optimistic that the RBZ policy interventions will significantly contribute to a more stable operating environment.

GROUP RESULTS

The Group's financial results are inflation adjusted in compliance with the requirements of International Accounting Standard 29 – Financial Reporting in Hyperinflationary Economies, and the historical cost financial information has been disclosed as supplementary information. Total turnover increased by 23% for the year under review from ZWL1.54 trillion in the previous year to ZWL1.90 trillion. This was largely attributable to inflationary pressures. The Group incurred an operating loss of ZWL679 billion for the year against a profit of ZWL13 billion in the comparative year. This loss was primarily due to a 3-month plant shutdown due to raw sugar supply challenges that have since been resolved, as well as the increased cost of key raw materials and other overheads. The Group continues to rationalise operations to reduce costs.

In historical cost terms, total revenue increased by 789% from ZWL42 billion in the previous year to ZWL378 billion, while operating profit decreased by -910%, from a profit of ZWL2.28 billion to a loss of ZWL18.47 billion.

OPERATIONS

Goldstar Sugars ("GSS")

During the year ended 31 March 2024, GSS reported a 32% decrease in sales volumes of granulated white sugar from 82,321 tonnes in the previous year to 55,799 tonnes. Production throughput at 52,605 tonnes was 32% lower than the prior year's tonnage of 77,270 tonnes due to raw sugar supply issues.

Active engagements with our various stakeholders have largely resolved the raw sugar supply challenges. GSS continues with its refurbishment and replacement programme for critical components of plant and machinery to improve plant efficiencies and quality of refined sugar.

The business maintained its certification by The Coca Cola Company ("TCCC") and its Food Safety Certification under the FSSC 22000 series.

Country Choice Foods ("CCF")

CCF also reported a decline in sales volumes of sugar specialty products by 39%, from 2,048 tonnes in the previous year to 1,244 tonnes. Product uptake was adversely affected by exchange rate distortions that persisted for most of the year in mainstream retail outlets.

During the period, the unit launched new products into the market, namely bicarbonate of soda, desiccated coconut and muesli. The business unit has sufficient production capacity to supply the market at competitive prices and continues to focus on innovation.

Properties Business

In inflation adjusted terms, revenue performance for this business remained relatively stagnant with ZWL10.3 billion of rental income being recorded, compared with ZWL10.4 billion in the prior year.

Tonga Hulett Botswana

The Associate reported a profit of ZWL21 billion for the period, with the Company's share being ZWL7 billion after converting the earnings to Zimbabwe Dollars at the average RBZ Interbank Exchange Rate for the period to 31 March 2024.

DIVIDEND

The Board has resolved not to declare a dividend for the period under review.

BOARD CHANGES

Resignations

The Board announced the retirement of Mr. Robson Nyabadza from the position of Chief Executive Officer of the Group effective 31 March 2024 and the stepping down of Mr. Formai Myambuki as the Acting Chief Executive Officer effective 7 July 2024.

The Board expresses its appreciation for their commitment and dedicated service during their tenure with the Group and wishes them the best in their future endeavors.

Appointments

The Board wishes to advise of the following appointments:

Mr. Dzingayi Maworera, who assumed the role of Finance Director and Company Secretary, effective 1 April 2024.

Ms. Sarudzayi Naomi Njerere and Ms. Odiline Kava who joined as a Non-Executive Directors, effective 1 June 2024.

Dr. Mavellas Sibanda, who will assume the role of Chief Executive Officer, effective 8 July 2024.

The Board extends its congratulations on these appointments and wishes them success in their new roles.

OUTLOOK

On 5 April 2024, the Government introduced a new currency, Zimbabwe Gold ("ZWG"), leading to a period of relative exchange rate stability and low inflation. This can only be sustainable if the authorities maintain a tight monetary stance.

With the raw sugar supply challenges largely resolved and the plant refurbishment and replacement programme on track, the business expects a volume recovery, going forward. The Group will continue to improve on operational efficiencies and reducing costs with the aim of returning the business to profitability.

CONCLUSION

I would like to express my gratitude to the Group's various stakeholders, my fellow Board Members, management and staff for their contribution to the Company's performance.

R. J. Mbire (PhD)
Chairman

5 July 2024

Abridged Group Statement of Financial Position

as at 31 March 2024

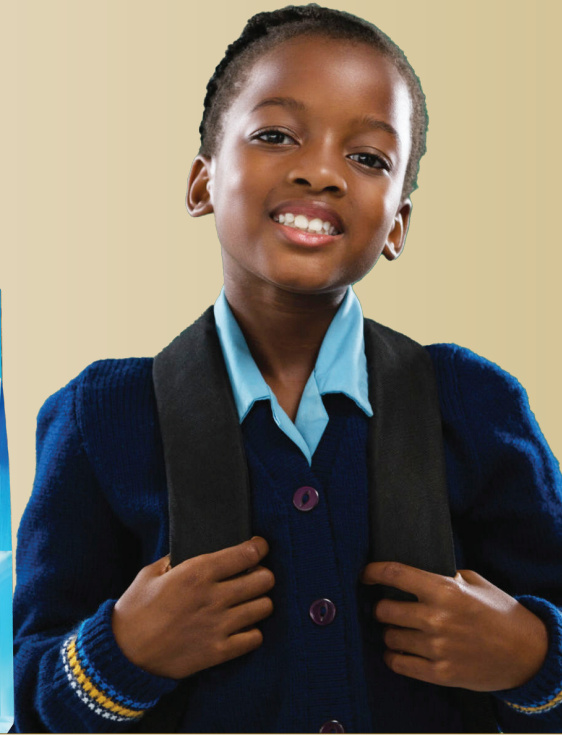
Notes	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
ASSETS				
Non-current assets				
Property, plant and equipment	4	325 838 342 309	321 602 919 957	291 911 622 818
Investment property	5	165 727 500 000	180 118 532 609	165 727 500 000
Investment in an associate		36 286 123 885	40 885 811 688	36 286 123 885
		527 851 966 194	542 607 264 254	493 925 246 703
Current assets				
Inventories		296 231 328 716	51 762 183 846	30 811 839 836
Trade and other receivables		38 209 762 254	81 541 171 460	38 209 762 254
Prepayments and deposits		27 523 214 740	52 423 047 911	27 523 214 740
Cash and bank balances		3 236 444 701	25 478 033 969	3 236 444 701
		365 200 750 411	211 204 437 186	99 781 261 531
				6 831 680 321
Total assets		893 052 716 605	753 811 701 440	593 706 508 234
				22 680 185 944
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Share capital		1 977 351 805	1 977 351 805	480 866
Share premium		237 518 953 620	237 518 953 620	57 761 526
Foreign currency translation reserve		98 045 085 503	65 598 389 492	33 843 774 721
Revaluation reserve		107 931 352 599	105 944 398 451	232 690 445 991
Retained earnings/(Accumulated loss)		90 891 782 425	(22 239 619 782)	(21 343 732 357)
		536 364 525 952	388 799 473 586	245 248 730 747
Non-controlling interest		13 971 077 700	15 313 486 530	13 966 685 849
		550 335 603 652	404 112 960 116	259 215 416 596
Total equity				11 762 287 512
Non-current liabilities				
Deferred tax liability		58 958 921 984	54 993 625 568	50 732 900 669
		58 958 921 984	54 993 625 568	50 732 900 669
Current liabilities				
Payables and provisions		235 435 931 051	261 362 596 518	235 435 931 051
Short-term borrowings		759 002	23 353 312	759 002
Bank overdraft	6	46 610 033 721	28 072 198 581	46 610 033 721
Income tax payable		1 711 467 195	5 246 967 345	1 711 467 195
		283 758 190 969	294 705 115 756	283 758 190 969
Total current liabilities				9 572 226 662
Total liabilities		342 717 112 953	349 698 741 324	334 491 091 638
Total equity and liabilities		893 052 716 605	753 811 701 440	593 706 508 234
				22 680 185 944

The historical cost amounts are shown as supplementary information. The historical cost amounts do not comply with the International Financial Reporting Standards in that they have not taken into account the requirements of "IAS" 29-Financial Reporting in Hyperinflationary Economies. As a result the Independent Auditor has not expressed an opinion on the historical cost financial information.



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Abridged Audited Group Financial Results

FOR THE YEAR ENDED 31 MARCH 2024



Abridged Group Statement of Profit or Loss and Other Comprehensive Income

for the year ended 31 March 2024

Notes	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Revenue from contracts with customers	1 893 600 886 487	1 532 257 690 462	376 053 717 710	42 170 080 794
Rental income	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510
Total revenue	1 903 924 535 141	1 542 643 173 764	377 635 149 711	42 467 137 304
Cost of sales	(1 554 886 626 419)	(1 297 769 862 969)	(319 154 811 000)	(35 927 133 840)
Gross profit	349 037 908 722	244 873 310 795	58 480 338 711	6 540 003 464
Other income	16 371 881 958	17 893 643 022	4 223 435 116	550 123 197
Fair value gain on investment property	5 216 498 325	79 836 660 155	160 071 998 604	4 740 460 000
Selling and distribution expenses	(143 436 597 776)	(52 640 418 304)	(13 015 490 161)	(1 597 050 395)
Administrative expenses	(396 072 412 202)	(215 952 787 451)	(67 292 913 686)	(5 940 918 235)
Allowance for expected credit loss	(712 833 053)	(3 295 019 176)	(5 810 611 852)	(149 328 105)
Exchange losses	(509 574 534 742)	(57 993 129 289)	(155 127 057 940)	(1 862 774 394)
Operating (loss)/ profit	(679 170 088 768)	12 722 259 752	(18 470 301 208)	2 280 515 532
Finance costs	(13 906 676 045)	(1 530 802 025)	(2 045 426 285)	(49 599 967)
Finance income	627 223	3 919 101	236 194	106 047
Monetary gain/(loss)	807 601 027 920	(74 685 979 108)	-	-
Share of profit of an associate	6 882 366 970	9 832 752 129	6 882 366 970	319 572 507
Profit/(loss) before income tax	121 407 257 300	(53 657 850 151)	(13 633 124 329)	2 550 594 119
Income tax (expense)/credit	(9 618 263 923)	433 021 457	1 895 849 186	(159 782 633)
Profit/(loss) for the year	111 788 993 377	(53 224 828 694)	(11 737 275 143)	2 390 811 486
Other comprehensive income				
Items that may be subsequently reclassified to profit or loss:				
Exchange differences on translating foreign operations	32 446 696 011	34 424 833 311	32 446 696 011	1 118 835 311
Items that may not be subsequently reclassified to profit or loss:				
Revaluation surplus	205 265 264	99 892 301 451	281 898 064 924	5 826 600 732
Income tax relating to components of other comprehensive income	1 781 688 884	(14 486 957 947)	(55 154 356 708)	(964 212 727)
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	1 986 954 148	85 405 343 504	226 743 708 216	4 862 388 005
Total other comprehensive income	34 433 650 159	119 830 176 815	259 190 404 227	5 981 223 316
Total comprehensive income for the year	146 222 643 536	66 605 348 121	247 453 129 084	8 372 034 802
Profit/(loss) attributable to:				
Non-controlling interests	(1 342 408 830)	(16 205 459 245)	13 468 983 150	332 654 850
Equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
	111 788 993 377	(53 224 828 694)	(11 737 275 143)	2 390 811 486
Total comprehensive income/(loss) attributable to:				
Non-controlling interests	(1 342 408 830)	(16 205 459 245)	13 468 983 150	332 654 850
Equity holders of the parent	147 565 052 366	82 810 807 366	233 984 145 934	8 039 379 952
	146 222 643 536	66 605 348 121	247 453 129 084	8 372 034 802
Earnings per share				
Basic earnings/(loss) per ordinary share (cents)	3.1	2,352.66	(769.85)	(524.18)
Diluted earnings/(loss) per ordinary share (cents)	3.2	2,352.66	(769.85)	(524.18)
Headline earnings/(loss) per ordinary share (cents)	3.3	10,094.31	(1,188.18)	(637.92)

The historical cost amounts are shown as supplementary information. The historical cost amounts do not comply with the International Financial Reporting Standards in that they have not taken into account the requirements of "IAS" 29-Financial Reporting in Hyperinflationary Economies. As a result the Independent Auditor has not expressed an opinion on the historical cost financial information.

Abridged Group Statement of Changes in Equity

for the year ended 31 March 2024

	INFLATION ADJUSTED							Non-controlling interest ZWL	Total equity ZWL
	Shared capital ZWL	Share premium ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Retained earnings/(Accumulated loss) ZWL	Total ZWL			
Balance as at 31 March 2022	1 977 351 805	237 518 953 620	31 173 556 181	20 539 054 947	14 779 749 667	305 988 666 220	31 518 945 775	337 507 611 995	
Total comprehensive income for the year:	-	-	34 424 833 311	85 405 343 504	(37 019 369 449)	82 810 807 366	(16 205 459 245)	66 605 348 121	
Loss for the year	-	-	-	-	(37 019 369 449)	(37 019 369 449)	(16 205 459 245)	(53 224 828 694)	
Other comprehensive income	-	-	-	34 424 833 311	85 405 343 504	119 830 176 815	-	119 830 176 815	
Balance as at 31 March 2023	1 977 351 805	237 518 953 620	65 598 389 492	105 944 398 451	(22 239 619 782)	388 799 473 586	15 313 486 530	404 112 960 116	
Total comprehensive income for the year:	-	-	32 446 696 011	1 986 954 148	113 131 402 207	147 565 052 366	(1 342 408 830)	146 222 643 536	
Profit for the year	-	-	-	-	113 131 402 207	113 131 402 207	(1 342 408 830)	111 788 993 377	
Other comprehensive income	-	-	32 446 696 011	1 986 954 148	-	34 433 650 159	-	34 433 650 159	
Balance as at 31 March 2024	1 977 351 805	237 518 953 620	98 045 085 503	107 931 352 599	90 891 782 425	536 364 525 952	13 971 077 700	550 335 603 652	





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Abridged Group Statement of Changes in Equity (continued)

for the year ended 31 March 2024

HISTORICAL COST

ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT

	Shared capital ZWL	Share premium ZWL	Foreign currency translation reserve ZWL	Revaluation reserve ZWL	Retained earnings/ (Accumulated loss) ZWL	Total ZWL	Non-controlling interest ZWL	Total equity ZWL
Balance as at 31 March 2022	480 866	57 761 526	278 243 399	1 084 349 770	1 804 369 300	3 225 204 861	165 047 849	3 390 252 710
Total comprehensive income for the year:	-	-	1 118 835 311	4 862 388 005	2 058 156 636	8 039 379 952	332 654 850	8 372 034 802
Profit for the year	-	-	-	-	2 058 156 636	2 058 156 636	332 654 850	2 390 811 486
Other comprehensive income	-	-	1 118 835 311	4 862 388 005	-	5 981 223 316	-	5 981 223 316
Balance as at 31 March 2023	480 866	57 761 526	1 397 078 710	5 946 737 775	3 862 525 936	11 264 584 813	497 702 699	11 762 287 512
Total comprehensive income for the year	-	-	32 446 696 011	226 743 708 216	(25 206 258 293)	233 984 145 934	13 468 983 150	247 453 129 084
(Loss)/profit for the year	-	-	-	-	(25 206 258 293)	(25 206 258 293)	13 468 983 150	(11 737 275 143)
Other comprehensive income	-	-	32 446 696 011	226 743 708 216	-	259 190 404 227	-	259 190 404 227
Balance as at 31 March 2024	480 866	57 761 526	33 843 774 721	232 690 445 991	(21 343 732 357)	245 248 730 747	13 966 685 849	259 215 416 596

The historical cost amounts are shown as supplementary information. The historical cost amounts do not comply with the International Financial Reporting Standards in that they have not taken into account the requirements of "IAS" 29-Financial Reporting in Hyperinflationary Economies. As a result the Independent Auditor has not expressed an opinion on the historical cost financial information.

Notes To The Abridged Audited Group Financial Statements

for the year ended 31 March 2024

1 BASIS OF PREPARATION

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

1.1 Functional Currency

(a) Legacy currency issues

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

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

(b) Determination of functional currency

Significant developments in the economy for the year ended 31 March 2024 have warranted an assessment of whether the functional currency of the Company has changed from the Zimbabwe Dollar. In the first half of the year local currency sales against United States dollar sales were fluctuating at an average of 42%. The second half realised an increase in United States dollar sales and diluted the full year mix to 22% of local sales.

The currency mix is yet to stabilize and continues to fluctuate within relatively short intervals, as the Government continues making efforts to promote use of local currency. The Group cannot conclusively assert, with a high level of reliability, that the increase in foreign currency transactions in the year ending 31 March 2024, would be sustained in the coming months. The period in which these changes have occurred is far too limited for the Company to conclude that the functional currency has indeed changed. As a result, the Group, for the year ended 31 March 2024, has maintained the Zimbabwe Dollar as the functional currency.

The Company will continue to periodically review and assess the operating environment, the requirements of the International Financial Reporting Standards, the foreign currency composition of transactions and balances in the coming financial year.

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

1 BASIS OF PREPARATION (continued)

1.1 Functional Currency (continued)

(c) Statement of Compliance

Because of the items detailed in the above currency paragraph, the financial statements have not been prepared in conformity with the IFRS specifically IAS 21, IFRS 13 and IAS 8 promulgated by the IASB. As such the Group has not complied with the Companies And Other Business Entities Act (Chapter 24:31) as it requires the financial statements to be prepared in accordance with the IFRS.

1.2 Hyperinflation

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

IAS 29 requires that financial statements prepared in the currency of a hyperinflationary economy be stated in terms of a measuring unit current at the balance sheet date and that corresponding figures for previous periods be stated in the same terms as the latest balance sheet date. The restatement has been calculated by means of conversion factors derived from the consumer price index (CPI) prepared by the Zimbabwe National Statistics Agency (ZIMSTAT) up to 31 January 2023.

On the 3rd of March 2023, the Minister of Finance and Economic Development introduced Statutory Instrument 27 of 2023: Census and Statistics (General) Notice, 2023 which states that the rate of inflation is now blended for both the Zimbabwe and United States dollars. The separate consumer price index for the Zimbabwe dollar, which is the Group's functional currency and the currency that is experiencing hyper-inflation, is no longer available. Consequently, ZIMSTAT stopped reporting ZW\$ inflation and CPI figures and only released blended CPI figures. In September 2023 further changes were experienced as a geometric method of calculating inflation was introduced. The Group faced challenges, which had been using the ZW\$ CPI for restating historical figures to reflect hyperinflation.

Prior to the change in the CPI methodology, the use of indices issued by ZIMSTAT made it possible for businesses in Zimbabwe to compare results. While it would be preferable for all companies using the ZW\$ functional currency to use the same index, the standard allows each business to determine its own index for the purpose of compliance with IFRS. The determination of an appropriate index is a significant area of judgement, and the timing of the resolution of the uncertainty regarding the CPI is unknown.

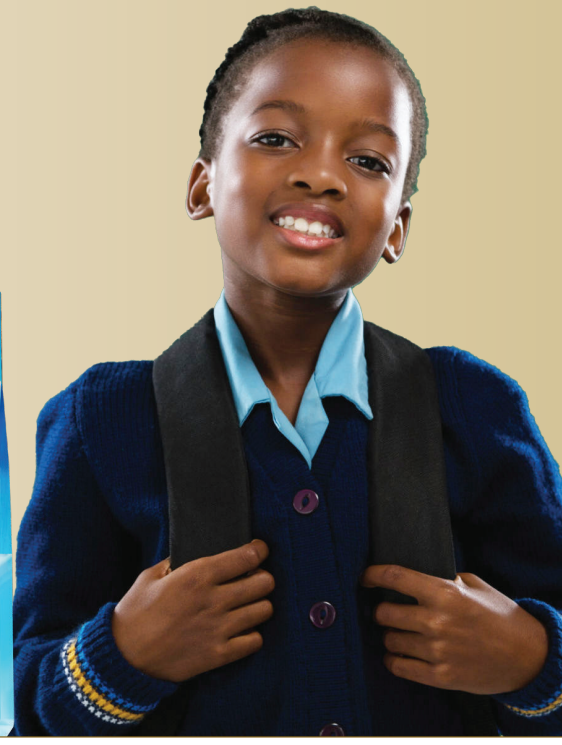
In efforts to guide businesses, the Institute of Chartered Accountants of Zimbabwe (ICAZ) in May 2023 provided a recommendations on IAS 29 - Financial Accounting in Hyper Inflationary Economies which proposed the use of official publicly available information in determining the CPI estimates. ZIMSTAT publishes monthly statistics on the Total Consumption Poverty Line (TCPL) in ZW\$, which measures the amount required to purchase both non-food and food items. By analysing the correlation between the movement in TCPL and the officially published CPI from January 2019 to January 2022, a very strong relationship with a coefficient correlation of 0.99 was observed and ICAZ consequently determined that from February 2023 going forward CPI can be estimated by adjusting the last published CPI based on the monthly movement of the TCPL. The Group adopted this guidance.

Abridged Audited Group Financial Results

FOR THE YEAR ENDED 31 MARCH 2024



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Notes To The Abridged Audited Group Financial Statements (continued)

for the year ended 31 March 2024

1 BASIS OF PREPARATION (continued)

1.2 Hyperinflation

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

Month	All Items CPI Indices	Conversion Factors
March 2024	429,219.62	1.0000
February 2024	258,942.08	1.6576
January 2024	93,215.82	4.6046
December 2023	65,703.44	6.5327
November 2023	53,915.71	7.9609
October 2023	49,222.55	8.7200
September 2023	44,720.86	9.5978
August 2023	42,659.97	10.0614
July 2023	46,633.80	9.2040
June 2023	42,710.72	10.0495
May 2023	18,704.62	22.9473
April 2023	15,480.17	27.7271
March 2023	13,949.99	30.7685

The carrying amounts of non-monetary assets and liabilities carried at historical cost have been restated to reflect the change in the general price index. No adjustment has been made for those non-monetary assets and liabilities measured at fair value. Impairment is recognised in the profit or loss if the measured 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 average monthly general price index when the items of income and expenses were initially earned or incurred.

Gains or losses on the net monetary position have been recognised as part of profit before income tax in the statement of profit or loss and other comprehensive income. All amounts in the statement of cash flows were segregated into the respective months in which the cash flows actually occurred and the applicable monthly factor used to hyper-inflate the amount. Gain or losses on cash flows were included in non-cash items.

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

2 INCOME TAX

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Current income tax charge	64 072 134	2 502 199 240	64 072 134	81 323 527
Tax on foreign dividends	2 480 935 461	2 266 173 410	2 480 935 461	69 895 655
Capital gains tax	1 326 271 028	-	1 326 271 028	-
Deferred tax charge/(credit)	5 746 985 300	(5 201 394 107)	(5 767 127 809)	8 563 451
	9 618 263 923	(433 021 457)	(1 895 849 186)	159 782 633

3 EARNINGS/(LOSS) PER SHARE

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Net (loss)/profit attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
Weighted average number of ordinary shares for basic and diluted earnings / (loss) per share	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
3.1 Basic earnings per share				
Profit attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Earnings per share (cents)	2,352.66	(769.85)	(524.18)	42.80
3.2 Diluted earnings per share				
Profit attributable to equity holders of the parent	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
Weighted average number of ordinary shares adjusted for the effect of dilution	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Earnings per share (cents)	2,352.66	(769.85)	(524.18)	42.80
3.3 Headline earnings per share				
Headline earnings	485 401 373 705	(57 135 767 151)	(30 675 512 962)	(374 748 839)
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335	4 808 662 335	4 808 662 335
Headline earnings per share (cents)	10,094.31	(1,188.18)	(637.92)	(7.79)

Notes To The Abridged Audited Group Financial Statements (continued)

for the year ended 31 March 2024

3 EARNINGS/(LOSS) PER SHARE (continued)

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
3.4 Reconciliation of earnings used in calculating headline earnings per share				
(Loss)/profit attributable to equity holders of the Company	113 131 402 207	(37 019 369 449)	(25 206 258 293)	2 058 156 636
Adjusted for:				
Fair value gain on investment properties	(5 216 498 325)	(79 836 660 155)	(160 071 998 604)	(4 740 460 000)
Profit on sale of investment property	(9 844 259 188)	(4 290 817 068)	(2 320 275 422)	(334 664 255)
Profit from sale of property, plant and equipment	-	(587 753 140)	-	(19 458 687)
Exchange gain	509 574 534 742	57 993 129 289	155 127 057 940	1 862 774 394
Adjusted earnings	607 645 179 436	(63 741 470 523)	(32 471 474 379)	(1 173 651 912)
Total income tax effect on adjustments	(122 243 805 731)	6 605 703 372	1 795 961 417	798 903 073
Headline earnings	485 401 373 705	(57 135 767 151)	(30 675 512 962)	(374 748 839)

4 PROPERTY, PLANT AND EQUIPMENT

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

At the date of revaluation, 31 March 2024, the properties' fair values were determined by Integrated Properties (Private) Limited, an accredited independent valuer. The valuations performed by the valuer are based on active market prices, significantly adjusted for difference in the nature, location or condition of the specific property.

	INFLATION ADJUSTED					
	Land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Furniture and equipment ZWL	Work in progress ZWL	Total ZWL
Cost / valuation						
Net book value as at 1 April 2023	222 609 768 265	63 291 162 050	2 276 501 704	4 630 573 732	28 794 914 206	321 602 919 957
Additions	636 891 585	1 932 674 106	-	615 529 296	6 225 800 068	9 410 895 055
Revaluation surplus	(27 793 164 485)	25 480 583 463	4 145 624 462	(1 627 778 176)	-	205 265 264
Depreciation charge	(4 452 195 365)	(671 954 169)	(81 267 525)	(175 320 908)	-	(5 380 737 967)
Net book value as at 31 March 2024	191 001 300 000	90 032 465 450	6 340 858 641	3 443 003 944	35 020 714 274	325 838 342 309

	HISTORICAL COST					
	Land and buildings ZWL	Plant and machinery ZWL	Motor vehicles ZWL	Furniture and equipment ZWL	Work in progress ZWL	Total ZWL
Cost / valuation						
Net book value as at 1 April 2023	7 235 000 000	617 271 684	38 731 549	62 418 268	712 261 717	8 665 683 218
Additions	636 891 584	449 201 260	-	92 986 649	381 733 066	1 560 812 559
Revaluation surplus	183 264 408 416	89 003 559 779	6 311 578 269	3 318 518 460	-	281 898 064 924
Depreciation charge	(135 000 000)	(37 567 273)	(9 451 177)	(30 919 433)	-	(212 937 883)
Net book value as at 31 March 2024	191 001 300 000	90 032 465 450	6 340 858 641	3 443 003 944	1 093 994 783	291 911 622 818





starafriacorporation
limited

Abridged Audited Group Financial Results

FOR THE YEAR ENDED 31 MARCH 2024



Everyday
goodness
for delightful
moments



Notes To The Abridged Audited Group Financial Statements (continued)

for the year ended 31 March 2024

5 INVESTMENT PROPERTY

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Balance at 1 April	180 118 532 609	109 822 492 072	5 854 000 000	1 219 480 000
Additions	453 501 396	-	453 501 396	-
Disposal	(20 061 032 330)	(9 540 619 618)	(652 000 000)	(105 940 000)
Fair value adjustment	5 216 498 325	79 836 660 155	160 071 998 604	4 740 460 000
Balance at 31 March	165 727 500 000	180 118 532 609	165 727 500 000	5 854 000 000
Income and expenses relating to investment property				
Rental income	10 323 648 654	10 385 483 302	1 581 432 001	297 056 510
Direct operating costs incurred in generating the rental income	(2 188 786 507)	(1 287 818 955)	(555 717 467)	(35 757 751)
Net income	8 134 862 147	9 097 664 347	1 025 714 534	261 298 759

Fair value hierarchy

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

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Fair value measurement using significant unobservable inputs (Level 3)				
Commercial	160 170 000 000	174 057 147 074	160 170 000 000	5 657 000 000
Residential	5 557 500 000	6 061 385 535	5 557 500 000	197 000 000
Total	165 727 500 000	180 118 532 609	165 727 500 000	5 854 000 000

Valuation approach for investment property

Investment properties were valued by Integrated Properties (Private) Limited, an accredited independent valuer. A valuation model in accordance with that recommended by the International Valuations Standards Committee has been applied.

6 SHORT-TERM BORROWINGS

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Changes in interest-bearing loans and borrowings arising from financing activities				
Balance at 1 April	23 353 312	68 353 288	759 002	759 002
Effects of inflation	(22 594 310)	(44 999 976)	-	-
Balance at 31 March	759 002	23 353 312	759 002	759 002

7 RECONCILIATION OF CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR

	INFLATION ADJUSTED		HISTORICAL COST	
	2024 ZWL	2023 ZWL	2024 ZWL	2023 ZWL
Cash and bank balances	3 236 444 701	25 478 033 969	3 236 444 701	828 056 995
Bank overdraft	(46 610 033 721)	(28 072 198 581)	(46 610 033 721)	(912 369 472)
Cash and cash equivalents at the end of the year	(43 373 589 020)	(2 594 164 612)	(43 373 589 020)	(84 312 477)

8 GOING CONCERN

The Group's revenue increased from ZWL1.54 trillion recorded last year to ZWL1.90 trillion in the current year largely due to increase in average selling prices to counter increases in raw materials and other overhead costs. Volumes sold declined to 55,799 tonnes from 82,321 tonnes achieved in the prior year, largely attributable to a 3-month plant shutdown due to raw sugar supply challenges, which have since been resolved. Resultantly, the Group incurred an operating loss of ZWL679 billion against an operating profit of ZWL13 billion earned in the prior year.

The Group has grown its net asset position to ZWL536 billion, up from ZWL389 billion in the prior year. The growth in net assets is on the back of revaluations on property, plant and equipment, as well as Investment Property. ZWL9.41 billion was spent on capital expenditure, as the Group continues on the plant refurbishment roadmap. Management is confident that the business will achieve the budgeted throughput of 70,000 tonnes for the 2025 financial year.

Notes To The Abridged Audited Group Financial Statements (continued)

for the year ended 31 March 2024

8 GOING CONCERN (continued)

Following the repealing of Statutory Instrument (SI) 80 of 2023 - Customs and Excise (Suspension) (Amendment) Regulations, 2023 (No. 267) whereby white sugar was removed from the general import permit, the Group forecasts strong demand for its products, as some customers that had migrated to imports are expected to resume local procurement. This is amply supported by the Group retaining and renewing key certifications that include that of The Coca Cola Company ("TCCC") and ISO:9001, as well as Food Safety certification under the FSSC 22000 series that are key to the Group in supplying products to the local market. The group has maintained cordial relationships with its key customers in satisfying their white sugar requirements and anticipates that it will remain a key partner to their operations in the foreseeable future.

The group entered into a long-term supply contract with its main supplier of raw sugar, therefore, it anticipates consistent and stable supply in the foreseeable future. In turn, the local sugar industry anticipates annual production to surpass 400,000 tonnes, which guarantees the Group of supply. The El-nino induced drought will have muted impact on raw sugar supply.

Statutory Instrument 92 of 2024, Value Added Tax (General) (Amendment) Regulations changed the Value Added Tax ("VAT") status of white sugar from Standard-rate to Exempt. This has had the impact of increasing the Group's production costs, as it can no longer claim VAT input. Despite the increase in production costs, the Group forecasts generating positive operating cash flow in its budget for the 2025 financial year enabled by cost rationalisation, as well as enhanced plant efficiencies that will be achieved from the ongoing plant refurbishment programme. The Group continues to engage the regulators on legislative changes that have significant impact on the viability of the business.

Furthermore, the business has continued to receive support from its bankers through an overdraft and other short-term facilities that are critical to addressing intermittent working capital challenges. The Group has also received financial support from its major shareholder, which support has gone along way in ensuring that the business remains a going concern. The Group continues discussions with financial institutions to unlock additional liquidity leveraging on its Investment Property portfolio.

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

9 EVENTS AFTER REPORTING DATE

Events after balance sheet date disclosure

On 5 April 2024, the Government of Zimbabwe, through the Reserve of Zimbabwe (RBZ) and SI 60 of 2024, Presidential Powers (Temporary Measures) (Zimbabwe Gold Notes and Coins) Regulations, unveiled a new gold-backed currency, the Zimbabwe Gold (ZWG). Its exchange rate was announced as US\$1 to ZWG13.5616. The ZWG replaced the Zimbabwean dollar, the ZWL, that had depreciated significantly within the first quarter of 2024.

On 10 May 2024, the Minister of Finance, Economic Development and Investment Promotion introduced SI 92 of 2024, which changed the Value Added Tax ("VAT") status of white sugar from Standard-rate to Exempt. Prior to this announcement, refined sugar was vatatable at the standard rate with effect from January 2024. This has had the impact of increasing the Group's production costs, as it can no longer claim input VAT. The Group continues to engage the regulators on legislative changes that have significant impact on the business.

10 AUDITOR'S STATEMENT

These abridged Group financial statements derived from the audited inflation adjusted Group financial statements of StarAfrica Corporation Limited "the Group" for the financial year ended 31 March 2024, should be read together with the complete set of audited inflation adjusted Group financial statements, for the year ended 31 March 2024, which have been audited by Grant Thornton Chartered Accountants (Zimbabwe) and the auditor's report signed by Trevor Mungwazi, Registered Public Auditor 0622.

A qualified opinion has been issued on the audited inflation adjusted Group financial statements, for the year then ended. The qualified opinion was issued regarding non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates, International Financial Reporting Standard (IFRS) 13 - Fair Value Measurement in the prior financial years and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors, and inclusion of unaudited financial results of equity accounted investment in the Group financial statements.

The auditor's report includes a section on key audit matters outlining matters that in the auditor's professional judgement, were of most significance in the audit of the Group and Company financial statements. The key audit matters were with respect to revenue recognition and adequacy of the allowance for credit losses on trade receivables.

The auditor's report on the inflation adjusted Group financial statements and the full set of the audited inflation adjusted Group financial statements, are available for inspection at the Company's registered office and the auditor's report has been lodged with the Zimbabwe Stock Exchange.

INDEPENDENT AUDITOR'S REPORT

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To the members of Starafrika Corporation Limited

Report on the Audit of the Inflation Adjusted Group and Company Financial Statements

Qualified Opinion

We have audited the Inflation Adjusted Group and Company financial statements of Starafrika Corporation Limited (the "Company") and its subsidiaries (together the "Group") set out on pages 10 to 81, which comprise the Inflation Adjusted Group and Company statements of financial position as at 31 March 2024, and the Inflation Adjusted Group and Company statements of profit or loss and other comprehensive income, the Inflation Adjusted Group and Company statements of changes in equity and the Inflation Adjusted Group and Company statements of cash flows for the year then ended, and the notes to the Group and Company financial statements, including a summary of significant Group accounting policies.

In our opinion, except for the matters described in the *Basis for Qualified Opinion* section of our report, the Inflation Adjusted Group and Company financial statements present fairly, in all material respects, the financial position of Starafrika Corporation Limited as at 31 March 2024, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Qualified Opinion

Non-compliance with International Accounting Standard (IAS) 21 - The Effect of Changes in Foreign Exchange Rates, International Financial Reporting Standard (IFRS) 13 - Fair Value Measurement in the prior financial years and International Accounting Standard (IAS) 8 - Accounting Policies, Changes in Accounting Estimates and Errors

During the prior financial years, the foreign currency denominated transactions and balances of the Group and Company were translated into ZWL using the interbank exchange rates which

were not considered appropriate spot rates for translations as required by IAS 21, *'The Effects of Changes in Foreign Exchange Rates'*, and the Group's property valuations were determined using USD valuation inputs which were then translated to ZWL using the interbank foreign exchange rate. Although the determined USD values reflected the fair value of the investment property, and property, plant and equipment in USD, the converted ZWL fair values were not in compliance with IFRS 13, *'Fair Value Measurement'*, as they did not reflect the assumptions that market participants would have applied in valuing similar items of investment property, and property, plant and equipment in ZWL. The opinion on the prior year Group and Company financial statements was modified in respect of these matters and the misstatements have not been corrected in the Group and Company financial statements for the year ended 31 March 2024.

As the non-compliance with IAS 21 and IFRS 13 is from prior financial years and there have been no restatements to the prior year financial statements in accordance with IAS 8, *'Accounting Policies, Changes in Accounting Estimates and Errors'*, the retained earnings and revaluation reserve in the Inflation Adjusted Group and Company financial statements may contain misstatements. Our opinion on the current year Inflation Adjusted Group and Company financial statements is modified because of the residual effects of non-compliance with IAS 21 and IFRS 13 on the retained earnings and revaluation reserve, respectively in the Group and Company financial statements.

The effects of the above non-compliance with the requirements of IAS 21 and IFRS 13 have been considered to be material but not pervasive to the Inflation Adjusted Group and Company financial statements.

Financial results of equity accounted investment included in the financial statements not audited

As described in note 14 to these Inflation Adjusted Group and Company financial statements, included in equity accounted investment is the Group's share of profit from its investment in an associate, Tongaat Hulett (Botswana) (Proprietary) Limited. The financial statements of the associate company have not been audited. As a result, we were unable to satisfy ourselves that all necessary adjustments and disclosures have been made to the financial statements of Tongaat Hulett (Botswana) (Proprietary) Limited for the year ended 31 March 2024. Accordingly, we were unable to determine the effect this might have on the share of profit, foreign currency translation exchange differences and investment in associate in the Inflation Adjusted Group and Company financial statements of Starafrika Corporation Limited for the year ended 31 March 2024.

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 Group and Company Financial Statements* section of our report. We are independent of the Group and Company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have

fulfilled our other ethical responsibilities in accordance with the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the Inflation Adjusted Group and Company financial statements of the current year. These matters were addressed in the context of our audit of the Inflation Adjusted Group and Company financial statements as a whole, and in forming the opinion thereon, and we do not provide a separate opinion on these matters. In addition to the matters described in the *Basis for Qualified Opinion*, we have determined the matters described below to be the key audit matters to be communicated in our report:

Areas of focus	How our audit addressed the key audit matter
<p data-bbox="272 902 526 936">Revenue recognition</p> <p data-bbox="272 981 837 1350">There is a presumed fraud risk with regards to revenue recognition as guided by International Standard on Auditing (ISA) 240 – “<i>The Auditor’s Responsibilities Relating to Fraud in an Audit of Financial Statements</i>” Revised. There is a risk that revenues are presented at amounts higher than what has been generated by the Company. This is a significant risk and accordingly a key audit matter.</p>	<p data-bbox="845 958 1436 1254">Our audit procedures incorporated a combination of tests of the Group’s controls relating to revenue recognition and the appropriateness of revenue recognition policies as well as substantive procedures in respect of testing the occurrence assertion. Our substantive procedures included but were not limited to the following:</p> <ul data-bbox="861 1272 1436 1939" style="list-style-type: none"> <li data-bbox="861 1272 1436 1417">• Reviewed that the revenue recognition criteria is appropriate and in line with the requirements of IFRS 15 – ‘<i>Revenue from contracts with customers</i>’. <li data-bbox="861 1429 1436 1529">• Performed cut-off tests on year-end balances to ensure revenue is recognised in the correct period. <li data-bbox="861 1541 1436 1709">• Tested design, existence and operating effectiveness of internal controls implemented as well as test of details to ensure accurate processing of revenue transactions. <li data-bbox="861 1720 1436 1865">• Identified key controls and tested these controls to obtain satisfaction that they were operating effectively for the year under review. <li data-bbox="861 1877 1436 1939">• The results of our controls testing have been the basis for the nature and scoping of the

Adequacy of allowance for credit losses on trade receivables

As at 31 March 2024, the Group had trade receivables amounting to ZWL 38 209 762 253. This was considered to be an area of focus as *IFRS 9 - Financial Instruments* requires management to exercise significant judgement using subjective assumptions when determining both timing and amounts of the impairment provision for trade and other receivables.

Key areas of judgement included:

- The interpretation of the requirements to determine impairment under application of IFRS 9, which is reflected in the Company's expected credit loss model; and
- Assumptions used in the expected credit loss model such as the financial condition of the counterparty, expected future cash flows.

additional test of details, which mainly consisted of testing individual transactions by reconciling them to external sources (supporting documentation).

- Analytical procedures and assessed the reasonableness of explanations provided by management.

Based on the audit work performed, we satisfied ourselves that the Group revenue recognition is appropriate and in compliance with the requirements of IFRS 15 - *Revenue from Contracts with Customers*.

Assessed management's allowance for credit losses, which included the following:

- We performed an assessment of the modelling techniques and methodology used against the requirements of IFRS 9;
- We assessed and tested the modelling assumptions with a focus on the:
 - i. Key modelling assumptions adopted by the Company.
 - ii. Reliability of the historical data collected; and
 - iii. Appropriateness of macroeconomic factors used.
- We examined a sample of exposures and performed procedures to evaluate the:
 - i. Timely identification of exposures with a significant deterioration in credit quality; and
 - ii. Expected loss calculation for exposures assessed on an individual basis.
- We assessed the adequacy of the disclosures in the financial statements.

Based on our audit work performed, the assumptions used by management were appropriate.

Other information

The Directors are responsible for the other information. The other information comprises the 'Corporate information', 'Directors' report', 'Corporate governance', 'Chairman's report', and 'Managing Director's report', which we obtained prior to the date of this auditor's report. The other information does not include the Inflation Adjusted Group and Company financial statements and our auditor's report thereon. Our opinion on the Inflation Adjusted Group and Company financial statements does not cover the other information and we do not express any form of assurance or conclusion thereon.

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

Responsibilities of Management and Those Charged with Governance for the Inflation Adjusted Group and Company Financial Statements

Management is responsible for the preparation and fair presentation of the Inflation Adjusted Group and Company financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal controls as management determines is necessary to enable the preparation of Inflation Adjusted Group and Company financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the Inflation Adjusted Group and Company financial statements, management is responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Inflation Adjusted Group and Company Financial Statements

Our objectives are to obtain reasonable assurance about whether the Inflation Adjusted Group and Company financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Inflation Adjusted Group and Company 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 Group and Company financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's 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 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 to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the Inflation Adjusted Group and Company financial statements, including the disclosures, and whether the Inflation Adjusted Group and Company 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 Inflation Adjusted Group and Company financial statements. We are responsible for the direction,

supervision, and performance of the Group's audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance 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 those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the Inflation Adjusted Group and Company financial statements of the current year and are therefore key the 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.

Report on other legal and regulatory requirements

In our opinion, except for the effects of the matters described in the *Basis for Qualified Opinion* section of our report, the Inflation Adjusted Group and Company financial statements have been properly prepared in compliance with the requirements of the Companies and Other Business Entities Act (Chapter 24:31).

The Engagement Partner on the audit resulting in this independent auditor's report is Trevor Mungwazi.

Grant Thornton

Trevor Mungwazi
Partner

Registered Public Auditor (PAAB No: 0622)

Grant Thornton
Chartered Accountants (Zimbabwe)
Registered Public Auditors

HARARE

08 July 2024