



Unreviewed Interim Abridged Financial Results

for the period ended 30 September 2024



REGISTERED OFFICE:
Star Africa Corporation Limited, 49 Douglas Road, Workington, Harare, Zimbabwe

“Granulated white sugar production and sales increased to 36,818 tonnes and 36,625 tonnes, respectively.”

Chairman’s Statement

OVERVIEW

It is with great pleasure that I present the consolidated financial results of Star Africa Corporation for the six-month period ending September 30, 2024.

The six months to September 30, 2024, presented a complex operating environment marked by high inflation, introduction of a new currency, which depreciated significantly, and the lingering effects of the 2024 National Budget. The informalisation of the market, coupled with exchange rate distortions, necessitated a reassessment of our distribution strategies to sustain sales volumes and mitigate pricing pressures.

The introduction of the Zimbabwe Gold in April 2024 offered temporary relief, but subsequent depreciation eroded its stabilising effect. Additionally, the El Niño-induced drought further constrained household spending power, impacting overall demand.

Despite the above constraints, the business observed an increase in sales volumes in comparison to prior year, largely attributable to improved product supply and reinstatement of duty on imports. The business entered into a long-term raw sugar supply arrangement, which facilitates better planning. In addition, the business is also realising the benefits of the on-going cost-optimisation initiatives.

GROUP RESULTS

Turnover for the period under review increased by 37%, rising from ZWG381.8 million to ZWG523.9 million. This growth was primarily driven by a notable increase in sales volumes. The Group posted a profit of ZWG25.6 million compared to a loss of ZWG86.9 million in the prior year. This improved performance was driven by a combination of increased sales volumes and effective cost-optimisation initiatives. The Group remains committed to streamlining operations to further enhance profitability.

OPERATIONS

Goldstar Sugars (“GSS”)

The period under review witnessed a substantial increase in GSS production and sales volumes, with respective growth rates of 66% and 55% compared to the prior period. This positive performance was primarily attributable to the resolution of raw sugar supply challenges, improved plant availability and reinstatement of duty on imports. Granulated white sugar production and sales increased to 36,818 tonnes and 36,625 tonnes, respectively. Nevertheless, power outages continue to impact operations. Management is actively engaged with the power utility provider to address these challenges, as the use of diesel generators is not a cost-effective solution.

The plant maintained its certification by The Coca Cola Company and its Food Safety Certification under the FSSC 22000 series.

Country Choice Foods (“CCF”)

CCF sales volumes of sugar specialty products were up 5% from 631 tonnes in the previous period to 663 tonnes in the current period. The growth was attributable to the business’ adaptive selling model in challenging market conditions. The business unit continues to assess the performance of its product portfolio in line with demand.

CCF has adequate production capacity and continues to explore ways of achieving volume growth.

Properties Business

Rental income from properties for the six-month period to 30 September 2024 decreased from ZWG2.5 million in the prior year to ZWG1.8 million in the current period due to the disposal of a property in the second half of the financial year ended 31 March 2024. The business is exploring ways of increasing yield from its investment property portfolio.

Tonga Hulett Botswana (“the Associate”)

The share of profit from Associate was ZWG4.1 million. The Associate posted a profit of ZWG12.2 million for the period to 30 September 2024, in comparison with a profit of ZWG10.2 million attained in the prior period. Share of profit from the Associate is reported in local currency after converting the Botswana Pula earnings to Zimbabwe Gold at the average Interbank Exchange Rate for the period to 30 September 2024.

DIVIDEND

The Board has resolved not to declare a dividend for the six months ended 30 September 2024.

OUTLOOK

The operating environment remains uncertain, with recurring challenges, such as exchange rate volatility, a slow start to the 2024/25 agricultural season, power supply constraints, limited access to affordable banking facilities, Government policies aimed at curbing the rate of inflation and subdued economic growth.

The proposed 2025 National Budget’s failure to categorise industrial granulated white sugar to standard rating for VAT purposes poses a significant threat to the local sugar industry, as the status quo translates to higher costs and selling prices. The business, through the Zimbabwe Sugar Association, will continue to engage the authorities to find a lasting solution to protecting the local sugar value chain from sugar dumping by regional producers.

Star Africa will continue to navigate the challenges above through strategic adjustments, cost optimization, and engagement with relevant authorities to advocate for a conducive business environment.



R. J. Mbire (PhD)
Chairman
24 December 2024

Group Statement Of Profit Or Loss And Other Comprehensive Income

as at 30 September 2024

Notes	30-Sep-24 ZWG	30-Sep-23 ZWG	
Revenue from contracts with customers	522 093 163	379 327 612	
Rental income	1 838 002	2 498 558	
Total revenue	523 931 165	381 826 170	
Cost of sales	(422 541 725)	(306 688 089)	
Gross profit	101 389 440	75 138 081	
Other income	2 681 385	2 496 612	
Fair value gain on investment property	78 370 380	36 773 076	
Selling and distribution expenses	(6 865 140)	(47 215 146)	
Administrative expenses	(64 369 996)	(86 592 323)	
Allowance for expected credit (loss)/gain	(5 433 186)	1 452 523	
Exchange losses	(78 948 905)	(95 176 238)	
Operating profit/(loss)	26 823 978	(113 123 415)	
Finance costs	(2 190 665)	(1 394 631)	
Finance income	-	448	
Monetary gain	-	40 783 246	
Share of profit of an associate	4 074 103	3 389 806	
Profit/(loss) before income tax	28 707 416	(70 344 546)	
Income tax expense	3 (3 047 368)	(16 509 005)	
Profit/(loss) for the period	25 660 048	(86 853 551)	
Other comprehensive income			
Items that may be subsequently reclassified to profit or loss:			
Exchange differences on translating foreign operations	28 253 825	24 558 781	
Items that may not be subsequently reclassified to profit or loss:			
Revaluation surplus	134 459 510	49 496 722	
Income tax relating to components of other comprehensive income	(35 471 624)	(8 257 165)	
Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:	98 987 886	41 239 557	
Total other comprehensive income	127 241 711	65 798 338	
Total comprehensive income/(loss) for the period	152 901 759	(21 055 213)	
Profit/(loss) attributable to			
Non-controlling interests	6 913 844	660 135	
Equity holders of the parent	18 746 204	(87 513 686)	
	25 660 048	(86 853 551)	
Total comprehensive income/(loss) attributable to:			
Non-controlling interests	6 913 844	660 135	
Equity holders of the parent	145 987 915	(21 715 348)	
	152 901 759	(21 055 213)	
Earnings per share			
Basic earnings/(loss) per ordinary share (cents)	4.1	0.39	(1.82)
Diluted earnings/(loss) per ordinary share (cents)	4.2	0.39	(1.82)
Headline earnings/(loss) per ordinary share (cents)	4.3	0.45	(0.89)

Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 30 September 2023. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 2.2



Unreviewed Interim Abridged Financial Results

for the period ended 30 September 2024



Unreviewed Interim Abridged Consolidated Statement Of Financial Position

as at 30 September 2024

	Notes	30-Sep-24 ZWG	31-Mar-24 ZWG
ASSETS			
Property, plant and equipment	5	264 710 204	130 401 883
Investment property	6	144 695 227	66 324 847
Investment in an associate	7	44 188 720	14 521 860
		453 594 151	211 248 590
Current assets			
Inventories		38 381 392	118 553 031
Trade and other receivables		48 135 835	15 291 709
Prepayments and deposits		12 191 590	11 014 907
Cash and bank balances		7 548 546	1 295 239
		106 257 363	146 154 886
Total assets		559 851 514	357 403 476
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Share capital		791 345	791 345
Share premium		95 056 090	95 056 090
Other reserves		111 364 561	82 432 642
Retained earnings		55 121 480	36 375 276
		262 333 476	214 655 353
Non-controlling interest		12 505 128	5 591 284
Total equity		274 838 604	220 246 637
Non-current liabilities			
Deferred tax liability		51 371 492	23 595 610
Current liabilities			
Payables and provisions		190 898 111	94 222 456
Short-term borrowings		304	304
Bank overdraft		30 672 196	18 653 533
Income tax payable		12 070 807	684 936
Total current liabilities		233 641 418	113 561 229
Total liabilities		285 012 910	137 156 839
Total equity and liabilities		559 851 514	357 403 476

Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 30 September 2023. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 2.2

Unreviewed Interim Abridged Consolidated Statement Of Changes In Equity

for the six months ended 30 September 2024

	ATTRIBUTABLE TO EQUITY HOLDERS OF THE PARENT						Non-controlling interest ZWG	Total equity ZWG
	Share capital ZWG	Share premium ZWG	Other reserves ZWG	Retained earnings/ (Accumulated loss) ZWG	Attributable to equity holders of the parent company ZWG			
Balance as at 1 April 2023	791 345	95 056 090	68 652 150	(8 900 390)	155 599 195	6 128 522	161 727 717	
Total comprehensive income for the year:								
Profit/(loss) for the year	-	-	-	45 275 666	45 275 666	(537 238)	44 738 428	
Other comprehensive income	-	-	13 780 492	-	13 780 492	-	13 780 492	
Balance as at 1 April 2024	791 345	95 056 090	82 432 642	36 375 276	214 655 353	5 591 284	220 246 637	
Total comprehensive income for the period:								
Profit for the period	-	-	-	18 746 204	18 746 204	6 913 844	25 660 048	
Other comprehensive income	-	-	127 241 711	-	127 241 711	-	127 241 711	
Effects of change in functional currency	-	-	(98 309 792)	-	(98 309 792)	-	(98 309 792)	
Balance as at 30 September 2024	791 345	95 056 090	111 364 561	55 121 480	262 333 476	12 505 128	274 838 604	

Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 30 September 2023. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 2.2

Notes To The Interim Abridged Financial Statements

for the six months ended 30 September 2024

1 CORPORATE INFORMATION

The consolidated interim financial statements of Star Africa Corporation Limited (the "Company") and its subsidiaries (together the "Group") for the six months ended 30 September 2024 were authorised for issue in accordance with a resolution of the Directors on 19 December 2024. Star Africa Corporation Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded on the Zimbabwe Stock Exchange.

1.2 Nature of business

Name	%Equity interest		Nature of Business
	2024	2023	
Star Africa Corporation Limited			Holding company
Star Africa Operations (Private) Limited	100%	100%	Sugar refining, manufacture of sugar based products, marketing and distribution of sugar
Red Star Holdings Limited	100%	100%	Dormant
Silver Star Properties (Private) Limited	100%	100%	Property-holding company
Star Africa International Limited	100%	100%	Dormant
Namibstar Trading (Proprietary) Limited	100%	100%	Dormant
Tongaat Hulett (Botswana) Limited	33.33%	33.33%	Packaging and distribution of refined sugar
Safariland Investments (Private) Limited	70%	70%	Property-holding company

Unreviewed Interim Abridged Consolidated Statement Of Cash Flows

for the six months ended 30 September 2024

	Notes	30-Sep-24 ZWG	30-Sep-23 ZWG
Cash flows from operating activities			
Cash flows from operating activities			
Cash utilised in operations		(5 964 491)	(23 804 102)
Finance cost paid		(2 190 665)	(1 394 631)
Taxation paid		-	(171 143)
Net cash flows utilised in operating activities		(8 155 156)	(25 369 876)
Cash flows from investing activities			
Acquisition of property, plant and equipment		(297 139)	(2 855 300)
Finance income received		-	448
Dividends received from associate		2 661 068	3 422 858
Net cash flows generated from investing activities		2 363 929	568 006
Decrease in cash and cash equivalents			
Cash and cash equivalents at the beginning of the period		(17 358 294)	(1 038 196)
Net exchange differences		25 872	(2 529 009)
Cash and cash equivalents at the end of the period		(23 123 650)	(28 369 077)
Cash and cash equivalents comprise of:			
Cash and bank balances		7 548 546	3 782 572
Bank overdraft		(30 672 196)	(32 151 649)
Cash and cash equivalents at the end of the period		(23 123 650)	(28 369 077)

Prior period comparatives were previously reported in ZWL as reviewed for the six months ended 30 September 2023. The ZWL amounts were translated to ZWG on change in functional currency detailed in Note 2.2

R. J. Mbire (PhD)
Chairman

M. Sibanda (PhD)
Chief Executive Officer

2 BASIS OF PREPARATION

2.1 Statement of compliance

The financial statements for the six months ended 30 September 2024 have been prepared in accordance with International Financial Reporting Standards and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

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- The Effects of Changes in Foreign Exchange Rates as well as with the principles embedded in the IFRS Conceptual Framework. This has resulted in the accounting treatment adopted in the prior years financial statements being different from that which the Directors would have adopted if the Group had been able to fully comply with IFRS.

2.2 Conversion from Zimbabwean Dollar to Zimbabwean Gold

Following the introduction of the Zimbabwean Gold Currency by the Reserve Bank of Zimbabwe (RBZ) on 5 April 2024 and Statutory Instrument (SI) 60 of 2024, all the previously existing Zimbabwean Dollar (ZWL) balances were converted into a new Zimbabwean Dollar (ZWG), as at that date. The swap rate of ZWG 1: ZWL 2 498.72 was used as guided by the closing interbank exchange rate and the price of gold as at that date. The Group applied the requirements of IAS 21 when converting ZWL amounts to ZWG, which is now the Groups' functional and reporting currency.

The prior year previously reported balances were inflation adjusted to the 31st of March 2024 in compliance with the requirements of IAS 29 - Financial Reporting in Hyper Inflationary economies. These amounts were converted using the same rate for adoption, of ZWG 1: ZWL 2 498.72, as the comparative balances in the Condensed consolidated interim financial results for the period ended 30 September 2024.



Unreviewed Interim Abridged Financial Results

for the period ended 30 September 2024



Notes To The Interim Abridged Financial Statements

for the six months ended 30 September 2024

2 BASIS OF PREPARATION

2.2 Conversion from Zimbabwean Dollar to Zimbabwean Gold (cont'd)

The conversion factors to restate the comparative amounts are as follows:

Month	All Items CPI Indices	Conversion Factors
March 2024	429 219.62	1.00
September 2023	44 720.86	9.60
March 2023	13 949.99	30.77

The Total Consumption Poverty Line (TCPL) released by Zimbabwe Central Statistical Office (ZIMSTAT), was used to estimate and apply inflation rates for the period ended 31 March 2024 in accordance with International Accounting Standard (IAS) 29 - "Financial Reporting in Hyperinflationary Economies" in the preparation of its condensed consolidated interim financial results.

3 INCOME TAX

	30-Sep-24 ZWG	30-Sep-23 ZWG
Current income tax charge	10 156 865	29 997
Tax on foreign dividends	534 894	684 572
Capital gains tax	51 352	-
Deferred tax (credit)/charge	(7 695 742)	15 794 437
	3 047 368	16 509 005

4 EARNINGS/(LOSS) PER SHARE

4.1 Basic earnings per share

Profit attributable to equity holders of the parent	18 746 204	(87 513 687)
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335
Basic earnings per share (cents)	0.39	(1.82)

4.2 Diluted earnings per share

Profit attributable to equity holders of the parent	18 746 204	(87 513 687)
Weighted average number of ordinary shares adjusted for the effect of dilution	4 808 662 335	4 808 662 335
Diluted earnings per share (cents)	0.39	(1.82)

4.3 Headline earnings per share

Headline earnings	21 449 724	(42 887 653)
Weighted average number of ordinary shares in issue	4 808 662 335	4 808 662 335
Headline earnings per share (cents)	0.45	(0.89)

Reconciliation of earnings used in calculating headline earnings per share		
Profit/(loss) for the period	25 660 048	(86 853 551)

Adjusted for:		
Fair value gain on investment properties	(78 370 380)	(36 773 076)
Exchange loss	78 948 905	95 176 238
Adjusted earnings	26 238 573	(28 450 389)
Total income tax effect on adjustments	(4 788 849)	(14 437 262)

Profit/(loss) for the period	21 449 724	(42 887 651)
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5 PROPERTY, PLANT AND EQUIPMENT

	Land and buildings ZWG	Plant and machinery ZWG	Motor vehicles ZWG	Furniture and equipment ZWG	Work in progress ZWG	Total ZWG
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Year ended 31 March 2024

Opening net book amount	89 089 371	25 329 391	911 066	1 853 175	11 523 847	128 706 850
Impairment loss	254 887	773 464	-	246 337	2 491 592	3 766 280
Revaluation surplus	(11 122 942)	10 197 437	1 659 096	(651 444)	-	82 147
Depreciation charge	(1 781 787)	(268 919)	(32 524)	(70 164)	-	(2 153 394)
Net book amount	76 439 529	36 031 373	2 537 638	1 377 904	14 015 439	130 401 883

As at 31 March 2024

Cost or revalued amount	76 439 529	36 031 373	2 537 638	1 377 904	14 015 439	130 401 883
Accumulated depreciation	-	-	-	-	-	-
Net book amount	76 439 529	36 031 373	2 537 638	1 377 904	14 015 439	130 401 883

Six months ended 30 September 2024

Opening net book amount	76 439 529	36 031 373	2 537 638	1 377 904	14 015 439	130 401 883
Additions	400 278	-	-	-	2 195 804	2 596 082
Revaluation surplus	90 661 056	38 700 951	3 662 716	1 434 788	-	134 459 511
Depreciation charge	(739 302)	(1 515 824)	(367 453)	(124 693)	-	(2 747 272)
Net book amount	166 761 561	73 216 500	5 832 901	2 687 999	16 211 243	264 710 204

As at 30 September 2024

Cost or revalued amount	166 761 561	73 216 500	5 832 901	2 687 999	16 211 243	264 710 204
Accumulated depreciation	-	-	-	-	-	-
Net book amount	166 761 561	73 216 500	5 832 901	2 687 999	16 211 243	264 710 204

Notes To The Interim Abridged Financial Statements

for the six months ended 30 September 2024

5.1 Fair value hierarchy

Fair value measurement using significant unobservable inputs (Level 3)

	30-Sep-24 ZWG	31-Mar-24 ZWG
Commercial buildings	161 287 279	73 930 248
Commercial land	5 474 282	2 509 281
Total	166 761 561	76 439 529

Reconciliation of fair value:

Opening balance	76 439 529	89 089 371
Remeasurement recognised in profit or loss	(739 302)	(1 781 787)
Remeasurement recognised in other comprehensive income	89 921 754	(11 122 942)
Additions	400 278	254 887
Closing balance	166 761 561	76 439 529

6 INVESTMENT PROPERTY

Balance at 1 April	66 324 847	72 084 199
Additions	-	181 493
Disposal	-	(8 028 510)
Fair value adjustment	78 370 380	2 087 665
Balance at 31 March	144 695 227	66 324 847

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

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:

	30-Sep-24 ZWG	31-Mar-24 ZWG
Commercial	139 843 022	64 100 712
Residential	4 852 205	2 224 135
Total	144 695 227	66 324 847

7 INVESTMENT IN ASSOCIATE

	30-Sep-24 ZWG	31-Mar-24 ZWG
Opening balance	14 521 860	16 362 675
Share of profits	4 074 103	2 754 352
Dividends received	(2 661 068)	(10 798 276)
Effects of changes in exchange rates	28 253 825	12 985 305
Monetary loss	-	(6 782 196)
Closing balance	44 188 720	14 521 860

8 GOING CONCERN

The Directors and management continuously monitor and evaluate the operating environment to re-assess and appropriately adapt strategies to ensure the continued operation of the Group into the foreseeable future. In light of the Group's current financial position, the Directors are satisfied that the Group has access to adequate resources to continue in operational existence for the foreseeable future.



Embrace the mischievous
sweetness of childhood

where every stolen taste becomes a
cherished memory!