



*Years*  
OF MAKING  
LIFE SWEETER  
1935 & STILL GOING



2025 ANNUAL REPORT



## ABOUT THIS REPORT

### REPORTING SCOPE

The report contains information about the operations of Star Africa Corporation Limited ("The Company") and its subsidiaries, together "the Group" in Zimbabwe. Any references in this report to "Our", "We", "Us", "Company", "the Group" or "SAC" refer to Star Africa Corporation Limited.

Star Africa Corporation Limited, a company listed on the Zimbabwe Stock Exchange (ZSE), is pleased to present its annual report for the year ended 31 March 2025.

### REPORTING FRAMEWORKS

This report was compiled with due consideration of the following regulatory requirements and reporting standards:

- Companies and Other Business Entities Act [Chapter 24:31];
- Securities and Exchange (Zimbabwe Stock Exchange Listings Requirements) Rules, 2020; and
- International Financial Reporting Standards (IFRS).

### ASSURANCE

The financial statements were audited by Grant Thornton Chartered Accountants (Zimbabwe), in accordance with the International Standards of Auditing (ISAs). The independent auditor's report is contained on pages 48 to 53.

### BOARD RESPONSIBILITY AND APPROVAL OF THIS REPORT

The Board of Directors of Star Africa Corporation Limited holds collective responsibility for this report, which has been compiled by members of the management team. The Board recognises its responsibility for ensuring the integrity of this Annual Report and approved the report on 2 September 2025.

### FORWARD LOOKING STATEMENT

This report may contain forward-looking statements, which relate to the future performance and prospects of the Group.

### FEEDBACK

We welcome your feedback on our Annual Report. If you have any suggestions on how we can improve our reporting or should you require any clarifications on any information provided in this report, please send your comments to Mr. Dzingayi Maworera, at [marketing@starafrica.co.zw](mailto:marketing@starafrica.co.zw)

The Star Africa Corporation Limited Annual Report is available on the following website:

**[www.starafricacorporation.com](http://www.starafricacorporation.com)**

Members may also obtain a copy of the Annual Report from the office of the Transfer Secretaries.





decades  
of service







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## WHO WE ARE

Star Africa Corporation Limited, a leading food products manufacturer, has been listed on the Zimbabwe Stock Exchange (ZSE) since 1947. The company manufactures, distributes, and markets everyday food products through its strategic business units, Gold Star Sugars and Country Choice Foods. Both are based in Harare with sales and distribution offices in Bulawayo, Gweru, and Mutare. Additionally, Star Africa owns a portfolio of commercial properties, some of which house its operations while others are leased to third parties. The Group also holds a minority stake in a Botswana-based company that distributes sugar and sugar specialty products.

Star Africa serves a diverse range of customers in sectors, such as:

- Beverage making – Soft drinks, cordials, mahewu and other ready to drink beverages.
- Baking – Bread and other confectioneries, cakes, biscuits, etc.
- Other manufacturers – Sweets, chocolates, ice creams, drinking chocolates, etc.
- Pharmaceuticals – Medicinal syrups.
- Hospitality – Custom packs of table sugar, spreads and other food products.
- Livestock – Stockfeed.
- General Retail – Table sugar, spreads and other food products.



### HOW WE CREATE VALUE

#### Operations

Harare and Bulawayo in Zimbabwe

#### Associate Location

Botswana

#### Human Capital

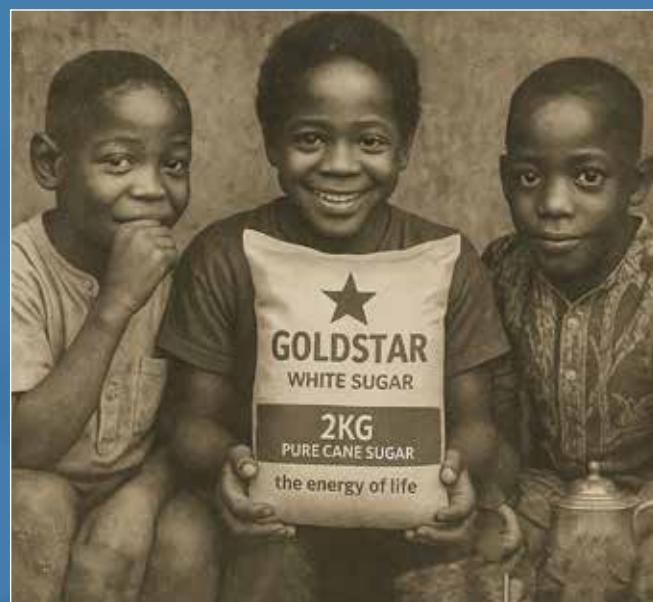
233 employees

#### Brands

Brands 3

#### Product Lines

Over 30 product lines



**Loved By Grandmas,  
Stolen By Kids  
Since 1935.  
#sweetmoments#legacy**



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## VISION, MISSION & VALUES

### OUR VISION

To be a leading manufacturer and distributor of food and other products in Africa.

### OUR MISSION

To excel in the provision of world class products and services that delight our customers, in an environment that is rewarding and caring of our employees, and in so doing, achieve superior returns for our shareholders and make a positive contribution to the communities we operate in.

### OUR VALUES

Our powerful values drive the way we do business



#### CARE

Care is at the heart of everything we do at Star Africa. We believe that true success is built on a foundation of respect, empathy, and responsibility—extending to our employees, our stakeholders, our products, and our environment.



#### PERFORMANCE DRIVEN

We achieve our goals through focused effort, continuous improvement, innovation, and a relentless pursuit of excellence. We proactively seek out better ways to work, embracing new ideas and turning challenges into opportunities for growth.



#### ETHICAL

We hold ourselves to the highest ethical standards, ensuring we are transparent in our actions, accountable for our promises, and responsible in our business practices.



#### ACCOUNTABILITY

We are committed to a culture where every team member is empowered and responsible. We take ownership of our shared goals, communicate openly about our progress, and support one another in overcoming challenges.

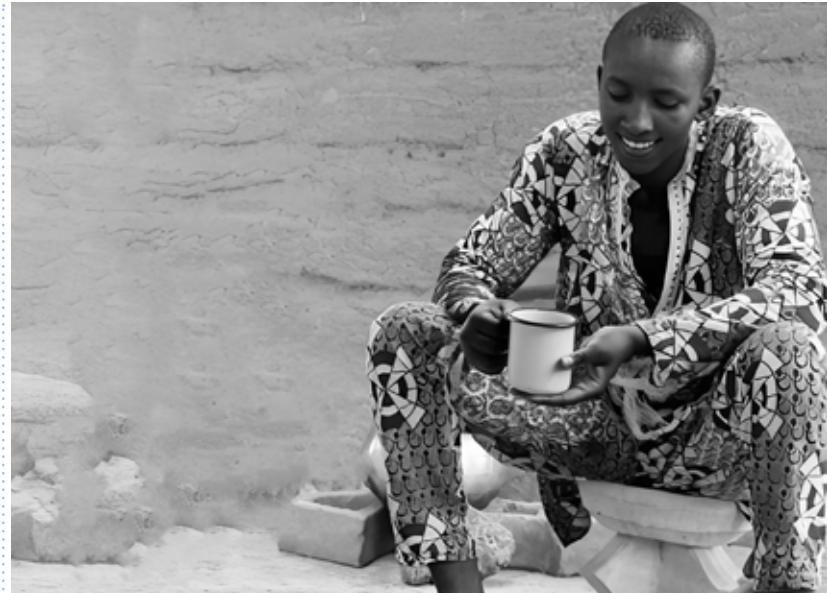


#### COMMITMENT

We are dedicated to our mission, our customers, and our various stakeholders. Our triumph is built on a foundation of steadfast dedication, disciplined effort, and the resolve to see every task through to its successful completion.



## OUR TIMELINE - 90 YEARS OF CREATING SWEET MOMENTS



### 1900's

#### FOUNDING OF RSR

Founding of the Group as Rhodesia Sugar Refinery with a capacity of 10 000 tonnes

35

#### LISTING OF RSR

Listing of the Group on the Zimbabwe Stock Exchange

47

#### HARARE REFINERY

Launch of Harare Refinery

56

#### WHOLESALE DIVISION

Acquisition of the Wholesale Division

74

#### FORMATION OF CCF

Formation of Country Choice Foods to focus on production of sugar speciality products

78

94

#### THB ACQUISITION

Acquisition of Sugar Industries in Botswana

92

#### FORMATION OF BLUESTAR TRANSPORT

Formation of Bluestar Transport

90

#### RECORD PRODUCTION

Record production above 140 000 tonnes

86

#### RED STAR WHOLESALERS

Re-branding of the Wholesale Division to Red Star Wholesalers

80

#### CHANGE OF NAME TO ZSR

Rebranding to Zimbabwe Sugar Refineries



## OUR TIMELINE- 90 YEARS OF CREATING SWEET MOMENTS



**2000's**

**MANAGEMENT ASSUMES CONTROL**

Tate & Lyle PLC of the United Kingdom divested its interest in Zimbabwe, through a Management Buy Out (MBO) resulting in localisation of ZSR Corporation Limited

**02**

**STAR AFRICA CORPORATION**

Re-branding of ZSR to Star Africa Corporation Limited

**06**

**NSSA ACQUIRES STAKE**

NSSA acquires significant stake in Star Africa Corporation.

**12**

**MAJOR UPGRADE OF GSSH**

Star Africa embarks on major upgrade of Goldstar Sugars Harare plant

**15**

**KO RE-CERTIFICATION**

Star Africa is KO certified to supply sugar to Coca Cola bottling plants and new product development drive

**17**

**25**



**CCF SYRUP AND ICING LINE UPGRADE**

Automation of syrup and icing lines

**23**

**TAKURA CAPITAL TAKEOVER**

Takura Capital acquires ZAMCO's 57.4 % stake in Star Africa Corporation limited

**21**

**ZAMCO TAKEOVER**

Zimbabwe Asset Management Company (ZAMCO) acquires a 57.4% shareholding in Star Africa Corporation Limited

**18**



## HOW WE ARE ORGANISED



**GOLDSTAR SUGARS (GSS)**

**Equity Interest**  
**100%**

**GOLDSTAR®  
SUGARS**

Leading producer and distributor of granulated white sugar to industrial, retail and wholesale markets.



**COUNTRY CHOICE FOODS (CCF)**

**Equity Interest**  
**100%**

**country  
choice  
foods**

Leading manufacturer and distributor of sugar specialty products, such as castor sugar, icing sugar, syrups, caramel, sweeteners, as well as pure honey.



**TONGAAT HULETT BOTSWANA (THB)**

**Equity Interest**  
**33.33%**

**THB**

Group's associate in Botswana that packs and distributes sugar to the industrial, wholesale & retail markets.



**SILVER STAR PROPERTIES (SSP)**

**Equity Interest**  
**100%**

**Silver Star Properties**

Group's property division that leases out and manages commercial, industrial and residential company owned properties within Zimbabwe.



# PURE CANE PURE SWEETNESS





## CORPORATE INFORMATION

### NATURE OF ACTIVITIES

Sugar production, purification, marketing and distribution, along with the manufacturing of sugar specialty, grocery, and snack products.

### BOARD OF DIRECTORS

Rungamo J. Mbire (Dr.)	NON-EXECUTIVE CHAIRMAN <i>Appointed Chairman 22 July 2021</i>
Mavellas Sibanda (Dr.)	GROUP CHIEF EXECUTIVE OFFICER <i>Appointed 8 July 2024</i>
Dzingayi Maworera (Mr.)	FINANCE DIRECTOR & COMPANY SECRETARY <i>Appointed 1 April 2024</i>
Mirirai E. Chiremba (Mr.)	NON-EXECUTIVE DIRECTOR <i>Appointed 1 September 2021</i>
Odiline Kava (Ms.)	NON-EXECUTIVE DIRECTOR <i>Appointed 1 June 2024</i>
Cliford Matorera (Mr.)	NON-EXECUTIVE DIRECTOR <i>Appointed 1 September 2022</i>
Sarudzayi N. Njerere (Ms.)	NON-EXECUTIVE DIRECTOR <i>Appointed 1 June 2024</i>
Gaylord T. Nyamayi (Mr.)	NON-EXECUTIVE DIRECTOR <i>Appointed 1 September 2022</i>

### REGISTERED OFFICE:

Star Africa Corporation Limited, 49 Douglas Road, Workington,  
Harare, Zimbabwe



# PROFESSIONAL ADVISORS

## INDEPENDENT AUDITOR

**Grant Thornton Chartered Accountants (Zimbabwe)**  
 Camelsa Business Park,  
 135 E. D. Mnangagwa Road,  
 Highlands,  
 Harare.

## ATTORNEYS

**Coglan Welsh & Guest**  
 2 Central Ave, Harare, Zimbabwe.

**Mawere & Sibanda**  
 10th Floor Chiedza House,  
 Corner First Street, Union Ave, Harare.

## TRANSFER SECRETARIES

**First Transfer Secretaries**  
 1 Armagh Avenue, Eastlea  
 Harare, Zimbabwe.

## BANKERS

**Ecobank Zimbabwe Limited**  
 Block A, Sam Levy's Office Park  
 2 Piers Road, P.O. Box BW 1464 Borrowdale, Harare.

**CBZ Bank Limited**  
 5 Campbell Road, Pomona,  
 P O Box BW 520 Borrowdale, Harare, Zimbabwe.

**ZB Bank Limited**  
 21 Natal Road, Avondale, Harare, Zimbabwe.

**BancABC Zimbabwe Limited**  
 1 Endeavor Crescent,  
 Mt Pleasant, Harare, Zimbabwe.

**NMB Bank Limited**  
 First Floor, Unity Court Cnr. Kwame Nkrumah Avenue/First  
 Street Central Harare, Zimbabwe

**Nedbank Zimbabwe Limited**  
 14th Floor, Old Mutual Centre Cnr. 3rd Street/Jason Moyo  
 Avenue Harare Zimbabwe

**Access Bank Zimbabwe**  
 7th Floor, Finsure House, Corner Kwame Nkrumah & 2nd  
 Street, Harare, Zimbabwe





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## HOW WE **PERFORMED**

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## PERFORMANCE HIGHLIGHTS

### SALIENT FEATURES FOR THE YEAR

OPERATIONAL				
	Percentage Change	Year Ended 31 March 2025	Year Ended 31 March 2024	
<b>Sales Volumes</b> Goldstar Sugars (tonnes)	Increased by <b>7%</b>	<b>59 613</b>	<b>55 799</b>	
<b>Sales Volumes</b> Country Choice Foods (tonnes)	Increased by <b>14%</b>	<b>1 416</b>	<b>1 244</b>	
FINANCIAL				
	INFLATION ADJUSTED		HISTORICAL COST	
<b>REVENUE</b>	<b>22%</b>		<b>686%</b>	
<b>OPERATING (LOSS)/ PROFIT</b>	<b>84%</b>		<b>445%</b>	
<b>(LOSS)/PROFIT FOR THE YEAR</b>	<b>-257%</b>		<b>874%</b>	
<b>NET ASSETS</b>	<b>2%</b>		<b>233%</b>	



# PERFORMANCE HIGHLIGHTS

## GROUP SUMMARY

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025		**2024	2025
	ZWG	ZWG		
<b>Total revenue</b>	<b>1 710 191 476</b>		<b>1 405 816 644</b>	<b>1 187 212 234</b>
Operating (loss)/ profit	(79 801 407)		(501 484 480)	25 526 930
Finance costs	(14 463 014)		(10 268 388)	(11 907 000)
<b>(Loss)/profit for the year</b>	<b>(129 409 278)</b>		<b>82 542 577</b>	<b>36 371 811</b>
Other comprehensive income				
for the year, net of tax	108 370 874		1 467 123	175 291 028
<b>Total comprehensive income for the year</b>	<b>9 041 564</b>		<b>107 967 638</b>	<b>241 742 807</b>
(Loss)/profit attributable to equity holders of the parent	(136 904 148)		83 533 783	24 371 220
Basic earnings/(loss) per share (cents)	(2.85)		1.74	0.51
Diluted earnings/(loss) per share (cents)	(2.85)		1.74	0.51
<b>Statement of Financial Position</b>				
Property, plant and equipment	377 836 334		240 591 976	348 569 955
Non-current assets	636 885 263		389 754 461	607 618 884
Equity attributable to equity holders of the parent	397 586 648		396 039 954	327 891 795
Total liabilities	433 654 658		253 054 892	420 706 736
<b>Statistics</b>				
Refined sugar sales in domestic market (tonnes)	59 613		55 799	59 613
Average number of employees	233		310	233
				310

\* Historical cost results are included as supplementary information.

\*\* The comparative Group statement of financial position as at 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



## CHAIRMAN'S STATEMENT

“ Our financial performance reflects both the year's opportunities and its challenges. Group revenue increased by 22%, rising to ZWG 1,710.2 million from ZWG 1,405.8 million in the prior year. This growth was primarily driven by increased sales volumes at our Goldstar Sugars and Country Choice Foods divisions. ”

### OVERVIEW

It is with pleasure that I present the consolidated financial results for Star Africa Corporation Limited ("Star Africa") for the financial year ended 31 March 2025.

The year under review was a tale of two distinct halves. The first half was marked by robust growth and strong volumes. However, the second half presented a more challenging environment, characterized by subdued consumer demand linked to tight liquidity and reduced disposable incomes.

Despite these headwinds, our strategic focus on productivity improvements, enhanced operational efficiencies and improved competitiveness against imports allowed us to navigate the difficult terrain and achieve growth in overall sales volumes.

Looking ahead, Star Africa is steadfast in its commitment to innovation and process optimization. Our goal is to expand our market reach, offer competitive pricing to our customers and increase the local consumption of our premium white sugar and specialty products.

### GROUP FINANCIAL PERFORMANCE

Our financial performance reflects both the year's opportunities and its challenges. Group revenue increased by 22%, rising to ZWG 1,710.2 million from ZWG 1,405.8 million in the prior year. This growth was primarily driven by increased sales volumes at our Goldstar Sugars and Country Choice Foods divisions.

Gross profit at ZWG 339.7 million, was achieved even as we proactively lowered prices to stimulate demand, demonstrating the tangible benefits of our ongoing cost-optimisation initiatives and value chain collaboration. Consequently, the Group's operating loss saw a significant reduction, narrowing to ZWG 79.8 million from ZWG 501.5 million in the comparative period. We concluded the year with a loss after tax of ZWG 129.4 million.

### OPERATIONAL REVIEW

#### Goldstar Sugars (GSS)

Our sugar refining operation recorded a 7% growth in sales volumes, with granulated white sugar sales increasing to 59,613 tonnes. This performance is particularly encouraging given the subdued trading environment in the latter half of the year.

While we reduced prices to be competitive against imports and anticipate realising the benefit in the upcoming year, demand for industrial sugar in general is weak as some of our key customers in the beverage sector suffered from the negative effects of the Added Sugar on Beverages Tax ("sugar tax"). Throughout the period, GSS enjoyed an ample supply of raw materials and strategically managed production in line with demand to optimise working capital. We are confident in our capacity to scale up production to meet anticipated future market demand.

The plant maintained its international quality certifications from The Coca-Cola Company and the FSSC 22 000 food safety standard.



R. J. Mbire (PhD)

**CHAIRMAN**



## CHAIRMAN'S STATEMENT (CONTINUED)

### OPERATIONAL REVIEW (continued)

#### Country Choice Foods (CCF)

Our specialty products division, achieved a 14% growth in sales volumes, which rose from 1,244 tonnes to 1,416 tonnes. This success was driven by strategic adjustments to our market approach and enhanced value offerings. We are actively implementing further process refinements to counter competition from imported products and continuously diversifying our product portfolio.

#### Properties and Investments

The Properties Business delivered steady returns, with rental income increasing to ZWG 9.5 million from ZWG 7.6 million in the comparative period, largely due to upward rent reviews. Our associate, Tongaat Hulett Botswana, also contributed positively, with our share of profit amounting to ZWG 9.0 million for the year.

#### DIVIDEND

In consideration of the need to reinvest in our operations and strengthen our working capital, the Board has resolved not to declare a dividend for the year ended 31 March 2025.





## CHAIRMAN'S STATEMENT (CONTINUED)

### OUTLOOK

We are encouraged by the macroeconomic stability that emerged in the latter half of the year. This, combined with a favourable agricultural season, is expected to improve national food security and stimulate economic activity. A projected record tobacco harvest and rising gold prices should further enhance foreign exchange inflows and support currency stability.

While the "sugar tax" remains a headwind, we will continue to advocate, through the Zimbabwe Sugar Association, for policy refinements that support the local industry. We are also hopeful that the recent inclusion of white sugar on the list of products attracting a 30% surtax will provide necessary protection against the dumping of sugar by regional producers.

Star Africa remains resolutely focused on enhancing our value proposition to customers. Through continuous innovation and a commitment to operational excellence, we are confident in our ability to drive long-term sustainable growth.

### 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**

30 June 2025



The background of the page features a close-up photograph of a sugarcane field, with tall green stalks and leaves filling the frame.

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## EMPLOYEES

“ At Star Africa, we value every employee. We're an equal-opportunity employer committed to building an inclusive workplace where everyone can thrive. We embrace diversity and do not discriminate based on age, gender, disability, or country of origin. ”

### OUR PEOPLE ARE OUR GREATEST ASSET

Our success is stirred by our people. We are committed to fostering a workplace where every employee can thrive, innovate and grow. Our Human Resources philosophy is built on a foundation of care, respect, and growth.

### A Culture of Care and Support

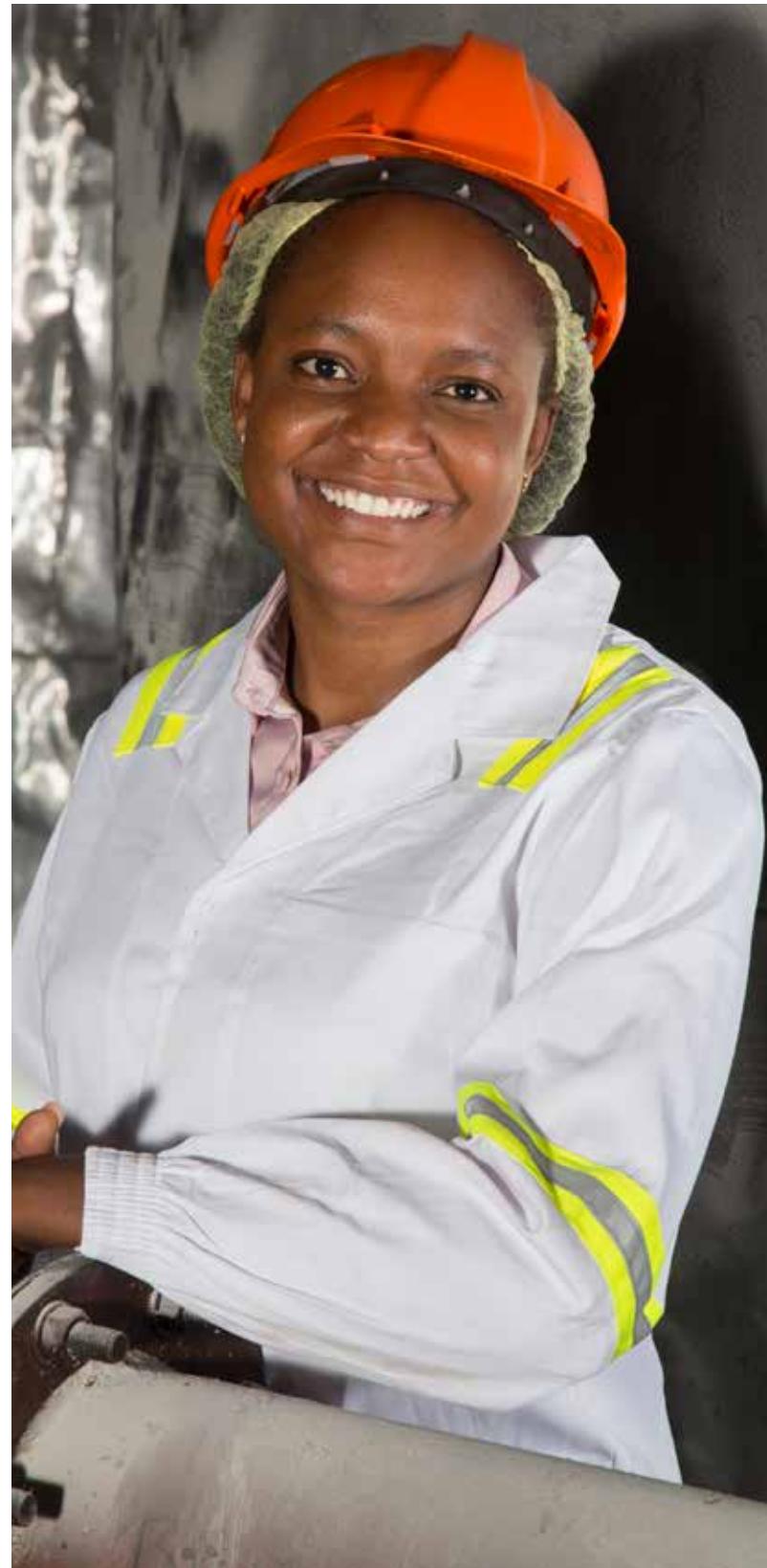
We look after our team through competitive comprehensive benefits packages, and supportive policies that promote a healthy work-life integration. We listen through regular feedback channels and act to ensure our people feel valued and supported.

### Safety as a Core Value

We are unwavering in our commitment to providing a safe, secure, and inclusive work environment for all. Through continuous training, rigorous protocols, and a proactive approach to risk management, we ensure the physical and psychological well-being of our employees remains a priority.

### Championing Gender Diversity & Inclusion

We believe diverse teams drive better results. We are proud of our progress in building a gender-balanced workforce at all levels and continue to implement targeted strategies in the areas of recruitment, retention, and advancement to ensure equal opportunity for all.





## EMPLOYEES (CONTINUED)

### Holistic Wellness

Our approach to wellness extends beyond physical health. We offer programs that support mental, financial, and social well-being, empowering our employees to bring out the best versions of them. We endeavour for our employees to thrive, not only at the workplace but in the communities they interact with.

### Investing in Growth

Continuous learning is key to our competitive edge. We are determined to equip our employees with the appropriate tools and knowledge required for flawless execution. Through investing in our people, we are not just building a stronger company, but we are building a brighter future together.

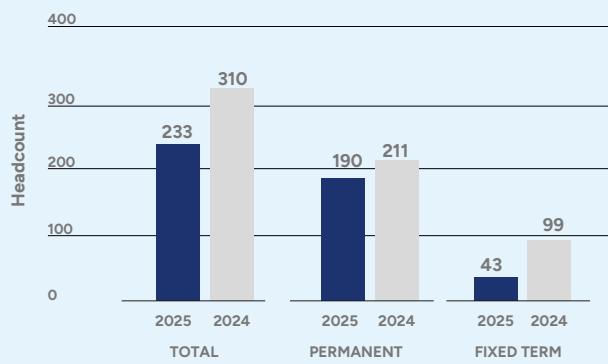




## EMPLOYEES (CONTINUED)

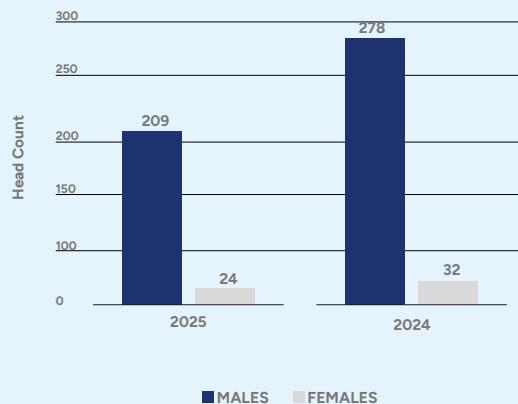
### EMPLOYEE STATISTICS

#### Headcount

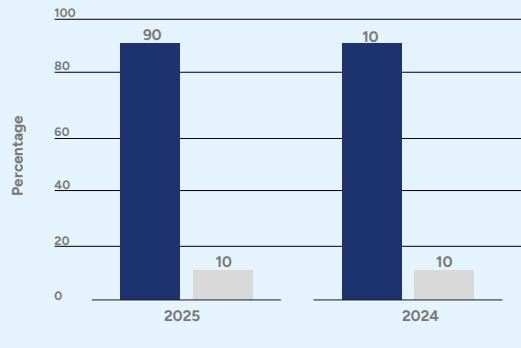


Automating our operations allowed us to reduce staff while maintaining throughput

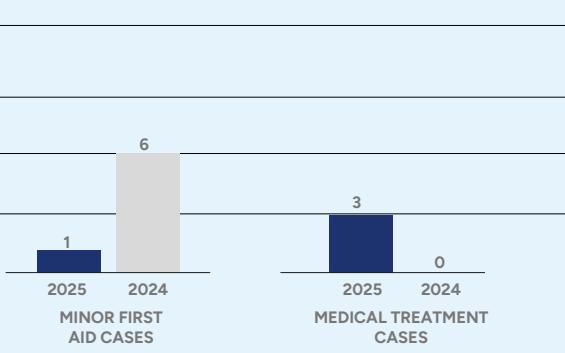
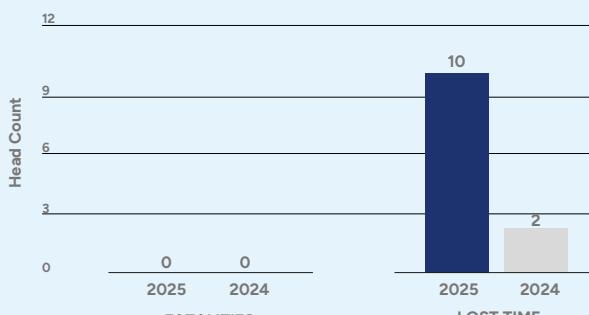
#### Gender Diversity Headcount



#### Gender Diversity Ratio



#### Employee Safety





## MATERIALS, ENERGY & WATER CONSUMPTION

“ Our consumption of key materials, energy, and water during the financial year directly correlates with our increased production volumes. ”

The consumption of raw sugar and key chemicals increased in line with our higher production output. Raw sugar consumption rose by 13.70%, from 57,241 tonnes to 65,081 tonnes. Similarly, we saw an increase in the consumption of Lime (+29.51%), Acid (+14.19%), and Flocculant (+25.64%). This aligns directly with our efforts to purify a larger volume of raw sugar. Our energy consumption trends reflect our strategic efforts to improve efficiency and manage costs. The increase in Coal (+12.79%), Electricity (+4.71%), and Diesel (13.70%) consumption is directly proportional to our higher production output, as these sources power our core refining and logistics processes. We have, however, managed to reduce our Petrol consumption by 11.17%, reflecting our focus on optimizing the fuel mix for our operations. Our water consumption decreased by 3.31%, from 362,631 m<sup>3</sup> to 350,623 m<sup>3</sup>. This reduction is a direct result of our water conservation initiatives, including the successful repair of leaks and the implementation of water reuse programs within our processes, demonstrating our commitment to responsible water management.

### Commitment to ensure conservation

We are committed to the responsible management of natural resources, ensuring that our operations are both efficient and environmentally sound. Our sustainability strategy focuses on continuous improvement in the use of raw materials, energy, and water throughout the sugar refining process.

### MATERIALS

Our production process relies on two key materials: raw sugar and food-grade chemicals. The purpose of these chemicals is to purify the raw sugar, which contains impurities and colorants from the sugarcane. The use of these chemicals is essential for producing high-quality, pure white sugar that meets consumer expectations.

Our approach to materials management is centred on efficiency and safety. We aim to contain all process loss and ensure that no residual chemicals remain in our final products. To guarantee food safety and quality, our processes and products are regularly audited and certified by recognized authorities, including FERA, SMRI, KO, and the Standards Association of Zimbabwe (SAZ).





## MATERIALS, ENERGY & WATER CONSUMPTION (CONTINUED)

### ENERGY

Energy is a critical input in our operations, and we are dedicated to improving efficiency and reducing our carbon footprint. Our initiatives focus on optimizing the use of all energy sources.

#### Coal:

As our primary energy source, we have implemented measures to ensure the efficient use of our boilers and control emissions by using washed coal that has less than 1% sulphur content. We have also focused on practical steps like insulating pipes to minimize heat loss and upgrading our evaporators to improve overall energy efficiency.

#### Electricity:

We use a variety of strategies to conserve electricity and reduce costs, including power factor corrections to minimize energy waste and ensuring that our machinery is the correct size for its function, avoiding unnecessary consumption.

#### Diesel & Petrol:

To reduce our reliance on fossil fuels, we emphasize the regular maintenance of our equipment and are transitioning our factory fleet to more energy-efficient alternatives, such as electric forklifts.

### WATER

We recognize that water is a precious resource and have a robust strategy for its conservation. Our initiatives are designed to minimize consumption and maximize reuse. We prioritize recycling water wherever possible within our operations and have a dedicated program for stopping leaks promptly. Additionally, we use boreholes to supplement our water supply and have a system for partial treatment of wastewater before it is discharged, ensuring we meet environmental standards.

### Materials, Energy and Water consumed in the production processes

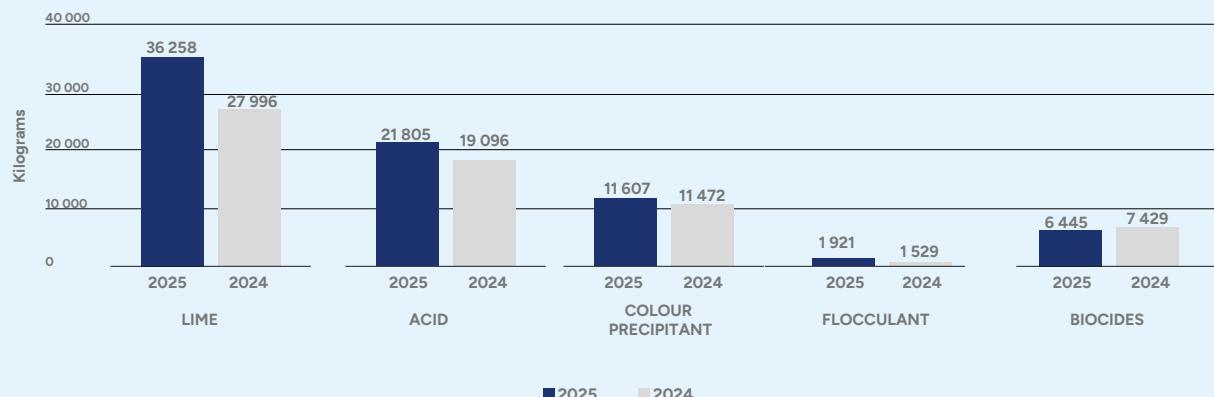
Type	Description	Unit	FY 2025	FY 2024
MATERIALS	Raw Sugar	TONNES	65,081	57,241
	Lime	KG	36,258	27,996
	Acid	KG	21,805	19,096
	Colour Precipitant	KG	11,607	11,472
	Flocculant	KG	1,921	1,529
	Biocides	KG	6,445	7,429
ENERGY CONSUMPTION	Coal	TONNES	16,863	14,951
	Electricity	MWH	7,252	6,926
	Petrol	LITRES	46,216	52,028
	Diesel	LITRES	473,394	416,364
WATER	Water	M3	350,623	362,631



# MATERIALS, ENERGY & WATER CONSUMPTION (CONTINUED)

**Materials, Energy and Water consumed in the production processes**

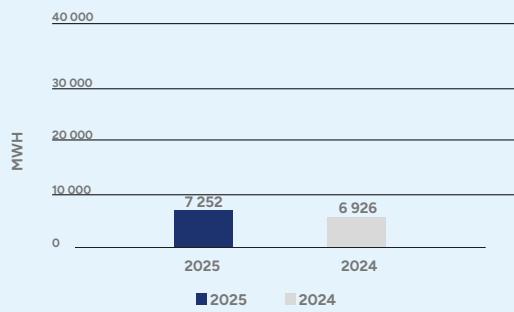
**Production Process Materials Consumption**



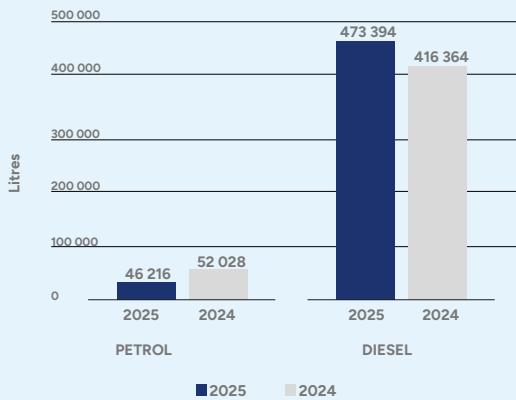
**Coal Consumption**



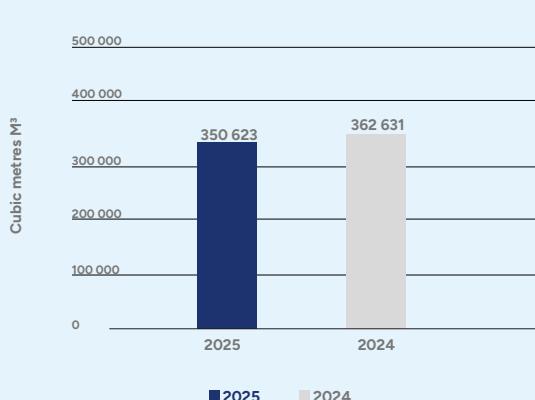
**Electricity Consumption**



**Liquid Fuels Consumption**



**Water Consumption**

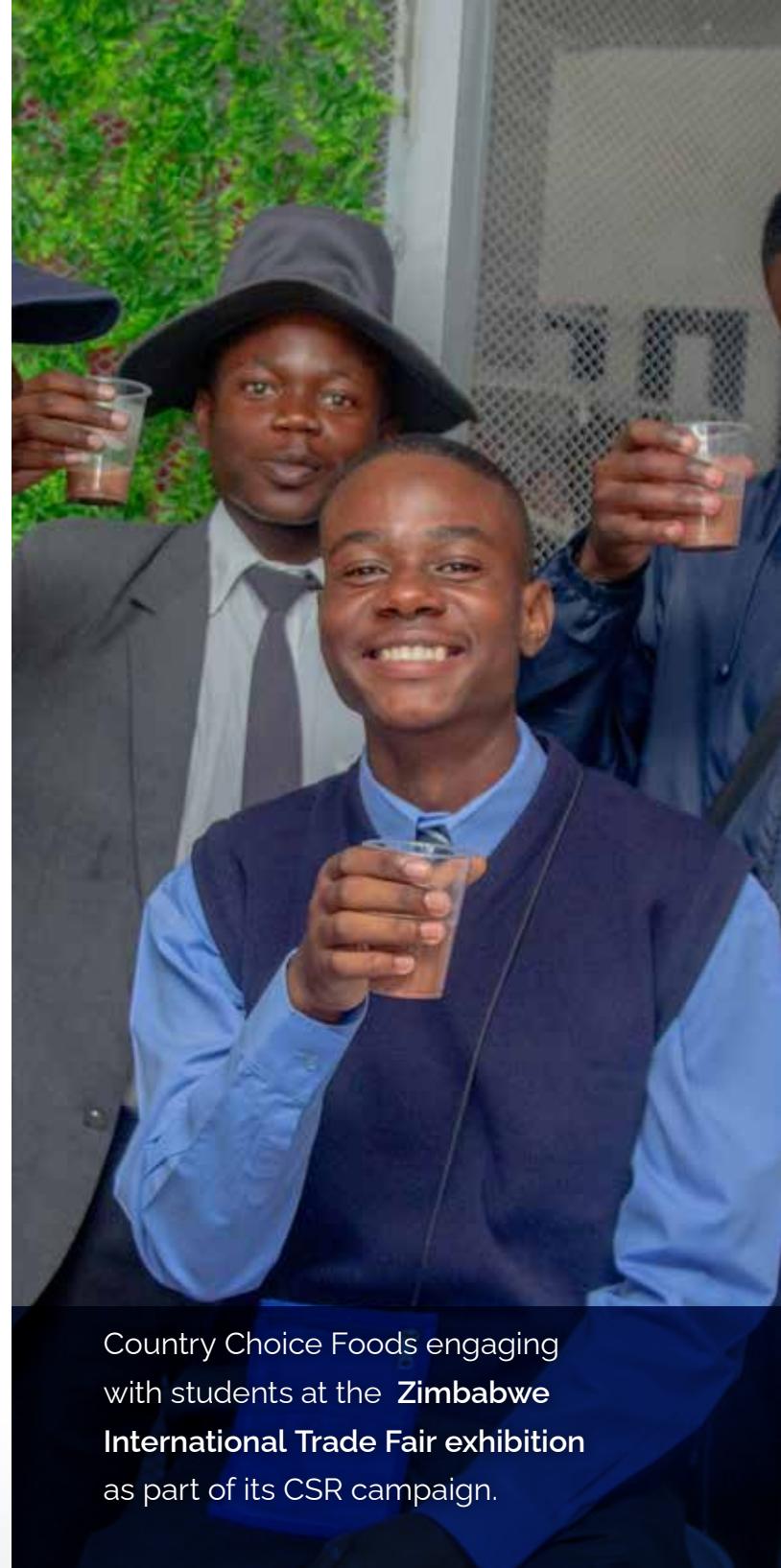




## INVESTING IN THE COMMUNITY

“The Group has established procedures that emphasize corporate social responsibility (CSR) and is dedicated to supporting communities whenever possible”

The Group has established procedures that emphasize corporate social responsibility ("CSR") and is dedicated to supporting communities whenever possible. Our CSR goals include engaging with stakeholders, fostering positive relationships, and promoting local development initiatives. We actively contribute by providing preparation of structured apprenticeship programs, resources, making donations, and forming partnerships.





# WASTE & EMISSIONS

## EMISSIONS

Our Scope 1 emissions, which represent greenhouse gases released directly from our owned and operated sources, totalled 38,934.51 tCO<sub>2</sub>e for the financial year. This figure is primarily driven by the combustion of coal, which accounts for most of our direct emissions (38,358.09 tCO<sub>2</sub>e).

The data, reported in accordance with the DEFRA Reporting Standard, reflects emissions from our on-site consumption of various fuels, including coal, petrol, diesel, and LPG. We are actively exploring strategies, that leverage on technological upgrades, to reduce our reliance on high-carbon fuels and improve operational efficiency across our assets to mitigate our direct environmental impact.

### Emissions

#### Tonnes of carbon dioxide ("tCO<sub>2</sub>e") equivalence for Scope.

Direct Emission from conversion of Petrol and Diesel including emissions from operated assets or equipment.

##### Scope 1

**38 934.51 tCO<sub>2</sub>e**

(Using DEFRA Reporting Standard)

	TCO <sub>2</sub> E
COAL	38 358.09
PETROL	456.84
DIESEL	105.84
LPG	13.74
<b>TOTAL</b>	<b>38 934.51</b>

##### Scope 2

	TCO <sub>2</sub> E
ELECTRICITY	2.584

## WASTE MANAGEMENT

As part of our commitment to environmental responsibility, we manage our waste through a program focused on reducing, reusing, and recycling. We minimize waste generation and recover valuable materials by selling plastic waste for recycling and providing other combustible waste to be used as fuel. We have partnered with a professional waste management service provider for the safe and compliant disposal of all solid and liquid factory waste at designated sites.

### Waste

Waste generated in tonnes.

**3 110.59 tonnes**

(Liquid = 2 734.27t  
Solid = 376.32t)

## COMPLIANCE WITH LAWS AND REGULATIONS

The Company has, during the reporting period, and is currently, in compliance with all relevant statutory requirements in Zimbabwe. There were no significant cases of non-compliance with laws and regulations during the reporting period.

The only fines during the period under review were as follows:

- ZIMRA penalties on overdue accounts ZWG49,967 and USD26,252.
- Import penalty fees of ZWG110,444.
- Traffic authorities fine of USD764 for a truck which was overload and which did not display the net and gross mass on the truck.





## HOW WE ARE **GOVERNED**

### CORPORATE GOVERNANCE

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## DIRECTORS' PROFILES

### **Dr. Rungamo J. Mbire**

NON-EXECUTIVE CHAIRMAN

**Appointed Chairman 22 July 2021**

*Non Executive Director  
1 August 2010*

Dr. Rungamo J. Mbire is a Chartered Accountant by profession and he holds a BSc Economics (Hons) degree from the University of Zimbabwe ("UZ"), a B. Compt (Hons) degree from the University of South Africa ("UNISA"), a Masters in Business Leadership and a Doctor of Philosophy in Management, Innovation and Technology degree. He is a well respected finance professional with a track record with prominent Zimbabwe Stock Exchange ("ZSE") listed companies.

### **Dr. Mavellas Sibanda**

GROUP CHIEF EXECUTIVE OFFICER

**Appointed CEO 8 July 2024**

*Non Executive Director  
1 September 2017*

Dr. Mavellas Sibanda is a Chartered Mechanical Engineer and manufacturing expert. He holds a BSc (Hons) degree in Mechanical Engineering, a Masters in Manufacturing Systems and Operations Management, a Masters in Business Administration and a PhD in Business Administration. He is a Fellow of the Institution of Mechanical Engineers (IMechE UK), a Fellow of the Zimbabwe Institution of Engineers ("ZIE") and an Associate Member of Chartered Institute of Secretaries and Administrators.

Dr. Sibanda has over 30 years experience in the manufacturing industry of which 17 years were spent in the sugar industry. He held the position of Operations Director before leaving the Company in 2016.





## DIRECTORS' PROFILES (CONTINUED)

### **Mr. Dzingayi Maworera**

FINANCE DIRECTOR AND  
COMPANY SECRETARY

Appointed 1 April 2024

Mr. Dzingayi Maworera is a Chartered Accountant and obtained his Bachelor of Accountancy Honours Degree from UZ in 2008. He has more than fifteen years of experience in financial management in various companies, including Invesci Asset Management and KPMG.

Prior to this move, Mr. Maworera was an Investment Principal at Takura Capital Partners (Private) Limited.

### **Mr. Mirirai E. Chiremba**

NON-EXECUTIVE DIRECTOR

Appointed 1 September 2021

Mr. Mirirai E. Chiremba holds a BSc Economics degree from UZ, and a Masters degree in Anti-money laundering/Counter-Financing of Terrorism/Counter-Financing of Proliferation of Weapons of Mass Destruction studies from the University of Charles Sturt, Australia.

After graduating at the UZ in 1984, Mr. Chiremba spent two years working for the public sector, and joined the Central Bank at the end of 1986 where he spent sixteen (16) years, working as a senior manager in the Exchange Control and Bank Supervision departments, and seventeen (17) years as the Director General of the Financial Intelligence Unit.

Mr. Chiremba currently consults for entities in the financial sector as a financial crime specialist.





## DIRECTORS' PROFILES (CONTINUED)

### **Ms. Odiline Kava**

NON-EXECUTIVE DIRECTOR

Appointed 1 June 2024

Ms. Odiline Kava brings with her over 30 years of professional experience, characterized by outstanding achievements in strategic leadership and business development.

Ms. Kava's track record includes successful brand building initiatives for several companies in Zimbabwe. She holds a Master's Degree in Business Administration, Bachelor of Business Administration Degree and several Diplomas in various fields. She has worked for a number of companies, including FBC Holdings, Export Credit Guarantee Corporation, the UZ and NicozDiamond Insurance Limited.

Ms. Kava is currently serving as the Board Chairperson for Management Training Bureau and is a past Vice President of the Zimbabwe Institute of Public Relations.

### **Mr. Cliford Matorera**

NON-EXECUTIVE DIRECTOR

Appointed 1 September 2022

Mr. Cliford Matorera is a performance management strategist, whose core skills include analytical thinking, knowledge of employment law, leadership and evaluation.

Mr. Matorera holds an Honours degree in Sociology from UZ and a Master of Science degree in Strategic Management acquired from Chinhoyi University. He is an extensively experienced public servant, and currently, the Chief Director in the Ministry of Public Service, Labour and Social Welfare. He is a past interim Board Chairman of National Social Security Authority.





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## DIRECTORS' PROFILES (CONTINUED)

### Ms. Sarudzayi N. Njerere

NON-EXECUTIVE DIRECTOR

Appointed 1 June 2024

Ms. Sarudzayi N. Njerere is a legal practitioner by profession, registered by the High Court of Zimbabwe and a member of the Law Society of Zimbabwe. She has over 23 years' experience in various fields of law, that include commercial, administrative, labour, family and human rights law.

Ms. Njerere holds a Bachelor of Arts degree in Law and Political Philosophy and a Bachelor of Laws degree from the University of Cape Town. She was previously a partner at Honey & Blanckenberg, worked in the Attorney General's office and also served as a part time Lecturer at UZ. She is currently serving as a Board Member of South Feminist Futures.

### Mr. Gaylord T. Nyamayi

NON-EXECUTIVE DIRECTOR

Appointed 1 September 2022

Mr. Gaylord T. Nyamayi is a Partner and Investment Executive at Takura Capital Partners (Private) Limited. He has vast experience in origination, negotiation, execution, monitoring and exiting of investment transactions in the region.

Mr. Nyamayi is a Chartered Accountant who served his articles with KPMG Zimbabwe, before working for the same organisation in the Caribbean Region and United Kingdom. He has in-depth knowledge of alternative investments, having worked for several years in the hedge fund sector in London. He is also a Chartered Financial Analyst Charterholder, who holds a Master of Business Administration degree from University of Cambridge's Judge Business School in the United Kingdom.





## EXECUTIVE MANAGEMENT



**Dr. Mavellas Sibanda**  
GROUP CHIEF EXECUTIVE OFFICER



**Mr. Dzingayi Maworera**  
FINANCE DIRECTOR AND COMPANY SECRETARY



**Mr. Innocent Mutsvedu**  
HEAD OF DEPARTMENT UNIT (CCF)



**Mr. Kenneth Mukada**  
HUMAN RESOURCES EXECUTIVE



**Ms. Yeukai Njanji**  
COMMERCIAL EXECUTIVE



**Mr. Eric Berejena**  
OPERATIONS EXECUTIVE



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# CORPORATE GOVERNANCE REPORT

Star Africa Corporation Limited is managed in line with established standards of corporate governance, and in conformity with the King IV Code of Corporate Governance.

## THE BOARD

The Company is managed in adherence to established standards of corporate governance, and in conformity with the King IV Code of Corporate Governance. The Board comprises 8 Directors, two of whom are Executive Directors. The roles of the Chairman and the Group Chief Executive Officer vest in separate individuals, in line with best practice. The Board meets at least once every quarter for the purposes of formulating policies and strategies, approving budgets, investments and projects, as well as reviewing operations and giving guidance to Management on operational issues.

Board deliberations are guided by a clearly defined Board Charter. The advice of the Company Secretary is available to all Directors and a facility is available for Directors, in the discharge of their mandate, to obtain independent professional advice at the expense of the Company. The Directors' remuneration, which includes that of Executive Directors, is reflected in aggregate in note 6.

## THE BOARD COMMITTEES

For the efficient discharge of its duties, the Board has established the following committees:

### Audit Committee:

This committee meets at least once every quarter. Some of its responsibilities include discussions with the External Auditor on their report pertaining to the Company's annual financial statements, reviewing the entire spectrum of the internal audit processes and consideration of any other matters which may have a material financial impact on the Company. Further, the committee reviews the quality, integrity and reliability of the Company's internal control systems, as well as risk monitoring and evaluation mechanisms. It assesses the objectivity of the External Auditors, in addition to the level of non-audit services supplied and ensures that there is an appropriate audit relationship. The committee comprises of Mr. G.T. Nyamayi (Chairman), Mr. M.E. Chiremba and Ms. O. Kava.

### Human Capital and Remuneration Committee:

The Human Capital and Remuneration Committee provides oversight over the remuneration of employees below the level of Executive Director and Senior Management, ensuring that compensation is consistent with the Company's culture, strategy and control environment. The Committee is also responsible to the Board for the policies relating to recruitment, training and development, promotion, resignation, dismissal and retirement, as well as conditions of service for all staff below the level of Executive Director and Senior Management. The committee comprises of Mr. C. Matorera (Chairman) and Ms. S.N. Njerere.



## CORPORATE GOVERNANCE REPORT (CONTINUED)

### Nominations Committee:

The role of the Board Nominations Committee is to assist and advise the Board of Directors in fulfilling its responsibilities to members/shareholders of Star Africa Corporation Limited on:

- Matters relating to the structure and composition of the Board.
- Matters relating to senior executive selection and performance.
- Matters relating to the recruitment of the Chief Executive Officer and fixing compensation for Executive Directors and Senior Managers.

The committee comprises of Dr. R.J. Mbire (Chairman), Mr. C. Matorera and Mr. G.T. Nyamayi.

### INTERNAL CONTROL

The Company's internal controls were reviewed for effectiveness during the year under review. The review covered financial, operational and compliance controls, as well as risk management procedures. The controls are designed to manage rather than eliminate risk and can only provide reasonable, and not absolute assurance against material misstatement or loss. In this context, the Directors report that they did not find anything that would have materially affected the smooth running and effectiveness of the Company's systems and procedures during the year under review.

### DIRECTORS' INTEREST

The Board has adopted an elaborate system for declaration of interests and assessment of the extent of such interests by the Company Secretary. It assesses the objectivity of the External Auditors, in addition to the level of non-audit services supplied and ensures that there is an appropriate audit relationship.

Mr. D. Maworera

**COMPANY SECRETARY**



# DIRECTORS' REPORT

The Directors have pleasure in presenting their report and the financial statements of Star Africa Corporation Limited and its subsidiaries (together "the Group") for the year ended 31 March 2025.

## NON-CURRENT ASSETS

The Group's non-current assets were as follows:

	INFLATION ADJUSTED	
	2025 ZWG	**2024 ZWG
Property, plant and equipment	377 836 334	240 591 976
Investment property	208 075 000	122 369 597
Investment in associate	50 973 929	26 792 888
<b>Balance as at 31 March</b>	<b>636 885 263</b>	<b>389 754 461</b>

*\*The comparative Group statement of financial position as at 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.*

## BORROWING POWERS

In terms of Article 87 of the Articles of Association, the Company is authorised to borrow funds amounting to, but not exceeding the sum of :-

- a) twice the amount of issued and paid up share capital of the Company; and
- b) twice the aggregate amounts of capital and revenue reserves of the Company, including share premium.

## DIVIDEND

The Group continues on a retooling and plant refurbishment programme. As a result, there is need to preserve working capital, therefore, the Directors have decided not to declare a dividend for the year ended 31 March 2025 (31 March 2024: ZWL Nil).

## SHARE CAPITAL

Details of authorised and issued share capital are set out in note 18 to the financial statements.

## DIRECTORATE

The names of the current Directors of the Company are set out on pages 36-39. Shareholders will be asked to re-elect the Directors retiring by rotation and approve Directors' fees for the year ended 31 March 2025.

By Order Of the Board

Mr. D. Maworera

## COMPANY SECRETARY

30 June 2025



## DIRECTORS' RESPONSIBILITY STATEMENT

### RESPONSIBILITY

It is the directors' responsibility to prepare annual financial statements that present a true and fair view of the Company and the Group as at the end of the financial year; and of the profit or loss for the year in accordance with International Financial Reporting Standards ("IFRS") and in the manner required by the provisions of the Companies And Other Business Entities Act (Chapter 24:31). This responsibility includes designing, implementing and maintaining internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

### COMPLIANCE WITH COMPANIES AND OTHER BUSINESS ENTITIES ACT (CHAPTER 24:31)

These financial statements, which have been inflation adjusted, are in agreement with the underlying books and records and have been prepared in accordance with the Group's accounting policies. However, due to items detailed in the basis of preparation note 2.1 under "Notes to Financial Statements", the financial statements have not been prepared in conformity with IFRS, promulgated by the International Accounting Standards Board (the "IASB"). As such the Group has not complied with the Companies and Other Business Entities Act (Chapter 24:31) and the relevant Statutory Instruments.

### APPROVAL OF FINANCIAL STATEMENTS

The financial statements have been approved by the Board and are signed on its behalf by the Chairman and the Chief Executive Officer.

R.J. Mbire (PhD)

**CHAIRMAN**

30 June 2025

M. Sibanda (PhD)

**CHIEF EXECUTIVE OFFICER**

30 June 2025



## CERTIFICATE BY THE COMPANY SECRETARY



**Mr. Dzingayi Maworera**

FINANCE DIRECTOR AND COMPANY SECRETARY

In my capacity as the Company Secretary, I confirm that in terms of the Companies and Other Business Entities Act (Chapter 24:31), the Company has lodged with the Registrar of Companies, all such returns as are required of a public listed company in terms of this Act and that all such returns are true, correct and up to date.

A handwritten signature in black ink, appearing to read 'Mr. D. Maworera'.

Mr. D. Maworera

**COMPANY SECRETARY**





## OUR **FINANCIALS**

### ANNUAL FINANCIAL STATEMENTS

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## INDEPENDENT AUDITOR'S REPORT

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www.grantthornton.co.zw

**To the members of Star Africa Corporation Limited**

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

### **Adverse Opinion**

We have audited the Inflation Adjusted Group and Company financial statements of Star Africa Corporation Limited (the “Company”) and its subsidiaries (together the “Group”) set out on pages 54 to 125, which comprise the Inflation Adjusted Group and Company statements of financial position as at 31 March 2025, 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 material Group accounting policies.

In our opinion, because of the significance of the matters described in the *Basis for Adverse Opinion* section of our report, the Inflation Adjusted Group and Company financial statements do not present fairly, in all material respects, the financial position of Star Africa Corporation Limited as at 31 March 2025, and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs) Accounting Standards.

## **Basis for Adverse Opinion**

### *Non-compliance with International Accounting Standard (IAS) 21 – The Effects of Changes in Foreign Exchange Rates*

As disclosed in **Note 2.1** to these financial statements, management determined that the Group and Company's functional currency, being the currency that most faithfully represents the economic effects of the underlying transactions, events and conditions of the Group, had

changed from the Zimbabwe Dollar (ZWL) to the United States Dollar (USD) during the year ended 31 March 2025. Notwithstanding the assessment and determination of the USD as the Group and Company's functional currency, the Group and Company continued to use the ZWL as its functional currency.

On 5 April 2024, the Government of Zimbabwe through Statutory Instrument 60 of 2024, introduced a new currency, the Zimbabwe Gold (ZWG) to be the unit of account for transactions previously denominated in ZWL. Following the introduction of ZWG, management reassessed the functional currency and determined that the USD continued to be the Group and Company's functional currency. The Group and Company continued to use the local currency as its functional currency for the year ended 31 March 2025.

According to IAS 21, "an entity's functional currency reflects the underlying transactions, events and conditions that are relevant to it. Accordingly, once determined, the functional currency is not changed unless there is a change in those underlying transactions, events and conditions".

The continued use of the local currency as the Group and Company's functional currency when the underlying transactions, events and conditions of the Group have changed, constitutes a departure from the requirements of IAS 21.

The effects of non-compliance with the requirements of IAS 21 have been considered to be material and pervasive to the Inflation Adjusted Group and Company financial statements as a whole.

### *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 2025. 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 Star Africa Corporation Limited for the year ended 31 March 2025.

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 adverse 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. Other than the matters described in the *Basis for Adverse Opinion*, we have determined that there are no other key audit matters to communicate in our report.

### **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) Accounting Standards, 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 Adverse 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**

30 June 2025

Chartered Accountants (Zimbabwe)

Registered Public Auditors

**HARARE**



## GROUP STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

Note	GROUP			
	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>ASSETS</b>				
<b>Non-current assets</b>				
Property, plant and equipment	12	377 836 334	240 591 976	348 569 955
Investment property	13	208 075 000	122 369 597	208 075 000
Investment in an associate	14	50 973 929	26 792 888	50 973 929
<b>Non-current assets</b>		<b>636 885 263</b>	<b>389 754 461</b>	<b>607 618 884</b>
<b>Current assets</b>				
Inventories	15	121 330 634	218 730 798	68 461 914
Trade and other receivables	16.2	78 653 712	28 213 261	78 653 712
Prepayments and deposits	16.1	8 675 740	20 322 546	7 947 371
Cash and bank balances	17.5	3 506 768	2 389 721	3 506 768
<b>Current assets</b>		<b>212 166 854</b>	<b>269 656 326</b>	<b>158 569 765</b>
<b>Total assets</b>		<b>849 052 117</b>	<b>659 410 787</b>	<b>766 188 649</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity attributable to equity holders of the parent</b>				
Share capital	18	1 460 034	1 460 034	192
Share premium		175 378 851	175 378 851	23 116
Foreign currency translation reserve		102 474 336	72 394 368	43 624 390
Revaluation reserve		188 065 046	79 694 172	268 414 729
(Accumulated loss)/retained earnings		(69 791 619)	67 112 529	15 829 368
		<b>397 586 648</b>	<b>396 039 954</b>	<b>327 891 795</b>
Non-controlling interest	14.3	17 810 811	10 315 941	17 590 118
<b>Total equity</b>		<b>415 397 459</b>	<b>406 355 895</b>	<b>345 481 913</b>
<b>Non-current liabilities</b>				
Deferred tax liability	21	67 935 924	43 533 991	54 988 002
<b>Current liabilities</b>				
Trade and other payables	22	289 546 151	173 840 792	289 546 151
Short-term borrowings	19	304	560	304
Bank overdraft	17.5	73 379 496	34 415 839	73 379 496
Income tax payable	10.3	2 792 783	1 263 710	2 792 783
<b>Total current liabilities</b>		<b>365 718 734</b>	<b>209 520 901</b>	<b>365 718 734</b>
<b>Total liabilities</b>		<b>433 654 658</b>	<b>253 054 892</b>	<b>420 706 736</b>
<b>Total equity and liabilities</b>		<b>849 052 117</b>	<b>659 410 787</b>	<b>766 188 649</b>
<b>237 603 856</b>				

\* Historical cost results are included as supplementary information

\*\*The comparative Group statement of financial position as at 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.

R. J. Mbire (PhD)  
**CHAIRMAN**  
30 June 2025

M. Sibanda (PhD)  
**CHIEF EXECUTIVE OFFICER**  
30 June 2025



# COMPANY STATEMENT OF FINANCIAL POSITION

As at 31 March 2025

Notes	COMPANY			
	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>ASSETS</b>				
<b>Non-current assets</b>				
Investment in an associate	14.1	301 436	301 436	40
Investment in subsidiaries	14.2	57 641 776	57 641 776	14 879
		<b>57 943 212</b>	<b>57 943 212</b>	<b>14 879</b>
<b>Current assets</b>				
Trade and other receivables	16.2	6 970 269	4 217 549	6 970 269
Cash and cash equivalents	17.5	182 443	156 752	182 443
		<b>7 152 712</b>	<b>4 374 301</b>	<b>2 370 890</b>
<b>Total assets</b>		<b>65 095 924</b>	<b>62 317 513</b>	<b>7 167 631</b>
				<b>2 385 809</b>
<b>EQUITY AND LIABILITIES</b>				
Equity attributable to equity holders of the parent				
Share capital	18	1 460 034	1 460 034	192
Share premium		175 378 851	175 378 851	23 116
(Accumulated loss)/retained earnings		(112 986 045)	(116 302 188)	5 901 239
<b>Total equity</b>		<b>63 852 840</b>	<b>60 536 697</b>	<b>1 422 296</b>
<b>Non-current liabilities</b>				
Deferred tax liability	21	954	25 570	954
				12 162
<b>Current liabilities</b>				
Trade and other payables	22	66	122	66
Income tax payable	10.3	1 242 064	1 755 124	1 242 064
				951 285
<b>Total current liabilities</b>		<b>1 242 130</b>	<b>1 755 246</b>	<b>1 242 130</b>
				<b>951 351</b>
<b>Total equity and liabilities</b>		<b>65 095 924</b>	<b>62 317 513</b>	<b>7 167 631</b>
				<b>2 385 809</b>

\* Historical cost results are included as supplementary information.

\*\*The comparative Company statement of financial position as at 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.

R. J. Mbire (PhD)

**CHAIRMAN**

30 June 2025

M. Sibanda (PhD)

**CHIEF EXECUTIVE OFFICER**

30 June 2025



# GROUP STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For The Year Ended 31 March 2025

Notes	GROUP			
	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Revenue from contracts with customers	3.1	1 700 654 613	1 398 193 885	1 179 866 559
Rental income	3.2	9 536 863	7 622 759	7 345 675
<b>Total revenue</b>	<b>3</b>	<b>1 710 191 476</b>	<b>1 405 816 644</b>	<b>1 187 212 234</b>
Cost of sales	4	(1 370 490 519)	(1 148 094 611)	(951 703 457)
<b>Gross profit</b>		<b>339 700 957</b>	<b>257 722 033</b>	<b>23 404 079</b>
Other income	5	12 067 711	12 088 643	9 180 310
Fair value gain on investment property	13	84 468 807	3 851 749	140 635 512
Selling and distribution expenses	6.1	(30 348 693)	(105 910 477)	(23 043 688)
Administrative expenses	6.2	(252 156 251)	(292 451 287)	(184 036 573)
Allowance for expected credit loss	16	(8 592 846)	(526 340)	(10 615 756)
Exchange losses	7	(224 941 092)	(376 258 801)	(142 101 652)
<b>Operating (loss)/ profit</b>		<b>(79 801 407)</b>	<b>(501 484 480)</b>	<b>25 526 930</b>
Finance costs	8	(14 463 014)	(10 268 388)	(11 907 000)
Finance income	8	967	463	936
Monetary (loss)/gain		(37 829 892)	596 315 108	-
Share of profit of an associate	14.1	9 033 169	5 081 791	9 033 169
<b>(Loss)/profit before income tax</b>	<b>9</b>	<b>(123 060 177)</b>	<b>89 644 494</b>	<b>22 654 035</b>
Income tax (expense)/credit	10	(6 349 101)	(7 101 917)	13 717 776
<b>(Loss)/profit for the year</b>		<b>(129 409 278)</b>	<b>82 542 577</b>	<b>36 371 811</b>
<b>Other comprehensive income</b>				
<b>Items that may be subsequently reclassified to profit or loss:</b>				
Exchange differences on translating foreign operations	14.1	30 079 968	23 957 938	30 079 968
Items that may not be subsequently reclassified to profit or loss:				12 985 305
Revaluation surplus	12	133 099 441	151 563	229 962 638
Income tax relating to components of other comprehensive income	21	(24 728 567)	1 315 560	(54 671 610)
<b>Net other comprehensive income not to be reclassified to profit or loss in subsequent periods:</b>		<b>108 370 874</b>	<b>1 467 123</b>	<b>175 291 028</b>
<b>Total other comprehensive income</b>		<b>138 450 842</b>	<b>25 425 061</b>	<b>205 370 996</b>
<b>Total comprehensive income for the year</b>		<b>9 041 564</b>	<b>107 967 638</b>	<b>36 371 811</b>
<b>Profit / (loss) attributable to</b>				
Non-controlling interests	14.3	7 494 870	(991 206)	12 000 591
Equity holders of the parent		(136 904 148)	83 533 783	24 371 220
<b>Total comprehensive income/(loss) attributable to:</b>		<b>(129 409 278)</b>	<b>82 542 577</b>	<b>5 390 344</b>
Non-controlling interests	14.3	7 494 870	(991 206)	12 000 591
Equity holders of the parent		1 546 694	108 958 844	229 742 216
<b>Earnings per share</b>		<b>9 041 564</b>	<b>107 967 638</b>	<b>5 390 344</b>
Basic earnings/(loss) per ordinary share (cents)	11.1	(2.85)	1.74	0.51
Diluted earnings/(loss) per ordinary share (cents)	11.2	(2.85)	1.74	0.51
Headline (loss)/earnings per ordinary share (cents)	11.3	0.84	7.45	0.55

\* Historical cost results are included as supplementary information.

\*\*The comparative Company statement of financial position as at 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



# COMPANY STATEMENT OF PROFIT OR LOSS & OTHER COMPREHENSIVE INCOME

For The Year Ended 31 March 2025

Notes	COMPANY			
	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Investment income	14.1	4 692 976	19 922 861	2 661 068
Administrative expenses	6.2.4	(15 867)	(9 460)	(13 386)
Allowance for expected credit loss		-	266 179	-
Exchange gain		19 913 637	705 704	2 374 909
<b>Operating profit</b>		<b>24 590 746</b>	<b>20 885 284</b>	<b>5 022 591</b>
Finance income	17.2	697	463	666
Monetary loss		(20 361 321)	(32 372 692)	-
<b>Profit/(loss) before income tax</b>		<b>4 230 122</b>	<b>(11 486 945)</b>	<b>5 023 257</b>
Income tax expense	10.1	(913 979)	(1 839 588)	(521 006)
<b>Profit/(loss) for the year</b>		<b>3 316 143</b>	<b>(13 326 533)</b>	<b>4 502 251</b>
<b>Total comprehensive income/(loss)</b>		<b>3 316 143</b>	<b>(13 326 533)</b>	<b>4 502 251</b>
				<b>1 126 938</b>

\* Historical cost results are included as supplementary information.

\*\*The comparative Company statement of profit and loss and other comprehensive income for the year ended 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



## GROUP STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2025

GROUP								
Attributable To Equity Holders Of The Parent								
	Issued share capital ZWG	Share premium ZWG	Foreign currency translation reserve ZWG	Revaluation reserve ZWG	Retained earnings/(accumulated loss) ZWG	Attributable to equity holders of the Parent company ZWG	Non-controlling interest ZWG	Total equity ZWG
<b>INFLATION ADJUSTED</b>								
"Balance as at 31 March 2023	1 460 034	175 378 851	48 436 430	78 227 049	(16 421 254)	287 081 110	11 307 147	298 388 257
Total comprehensive income for the year:								
Profit for the year	-	-	-	-	83 533 783	83 533 783	(991 206)	82 542 577
Other comprehensive income	-	-	23 957 938	1 467 123	-	25 425 061	-	25 425 061
"Balance as at 31 March 2024	1 460 034	175 378 851	72 394 368	79 694 172	67 112 529	396 039 954	10 315 941	406 355 895
Total comprehensive income for year:								
Profit for the year	-	-	-	-	(136 904 148)	(136 904 148)	7 494 870	(129 409 278)
Other comprehensive income	-	-	30 079 968	108 370 874	-	138 450 842	-	138 450 842
<b>Balance as at 31 March 2025</b>	<b>1 460 034</b>	<b>175 378 851</b>	<b>102 474 336</b>	<b>188 065 046</b>	<b>(69 791 619)</b>	<b>397 586 648</b>	<b>17 810 811</b>	<b>415 397 459</b>
 <b>HISTORICAL COST</b>								
"Balance as at 31 March 2023	192	23 116	559 117	2 379 910	1 545 799	4 508 134	199 183	4 707 317
Total comprehensive income for the year:								
(Loss)/profit for the year	-	-	-	-	(10 087 651)	(10 087 651)	5 390 344	(4 697 307)
Other comprehensive income	-	-	12 985 305	90 743 791	-	103 729 096	-	103 729 096
"Balance as at 31 March 2024	192	23 116	13 544 422	93 123 701	(8 541 852)	98 149 579	5 589 527	103 739 106
Total comprehensive income for year:								
Profit for the year	-	-	-	-	24 371 220	24 371 220	12 000 591	36 371 811
Other comprehensive income	-	-	30 079 968	175 291 028	-	205 370 996	-	205 370 996
<b>Balance as at 31 March 2025</b>	<b>192</b>	<b>23 116</b>	<b>43 624 390</b>	<b>268 414 729</b>	<b>15 829 368</b>	<b>327 891 795</b>	<b>17 590 118</b>	<b>345 481 913</b>

\* Historical cost results are included as supplementary information.

\*\*The comparative Group statement of changes in equity for the year ended 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



# COMPANY STATEMENT OF CHANGES IN EQUITY

For The Year Ended 31 March 2025

COMPANY				
	Issued share capital ZWG	Share premium ZWG	Retained earnings/ (accumulated loss) ZWG	Total ZWG
<b>INFLATION ADJUSTED</b>				
<b>**Balance as at 31 March 2023</b>	<b>1 460 034</b>	<b>175 378 851</b>	<b>(102 975 655)</b>	<b>73 863 230</b>
Total comprehensive loss for the year	-	-	(13 326 533)	(13 326 533)
<b>**Balance as at 31 March 2024</b>	<b>1 460 034</b>	<b>175 378 851</b>	<b>(116 302 188)</b>	<b>60 536 697</b>
Total comprehensive income for the year	-	-	3 316 143	3 316 143
<b>Balance as at 31 March 2025</b>	<b>1 460 034</b>	<b>175 378 851</b>	<b>(112 986 045)</b>	<b>63 852 840</b>

COMPANY				
	Issued share capital ZWG	Share premium ZWG	Retained earnings/ (accumulated loss) ZWG	Total ZWG
<b>*HISTORICAL COST</b>				
<b>**Balance as at 31 March 2023</b>	<b>192</b>	<b>23 116</b>	<b>272 050</b>	<b>295 358</b>
Total comprehensive income for the year	-	-	1 126 938	1 126 938
<b>**Balance as at 31 March 2024</b>	<b>192</b>	<b>23 116</b>	<b>1 398 988</b>	<b>1 422 296</b>
Total comprehensive income for the year	-	-	4 502 251	4 502 251
<b>Balance as at 31 March 2025</b>	<b>192</b>	<b>23 116</b>	<b>5 901 239</b>	<b>5 924 547</b>

\* Historical cost results are included as supplementary information.

\*\*The comparative Company statement of changes in equity for the year ended 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



## GROUP STATEMENT OF CASH FLOWS

For The Year Ended 31 March 2025

Notes	GROUP			
	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Cash flows from operating activities</b>				
Cash generated from/(utilised in) operations	17.4	106 283 772	(621 599 816)	60 161 938
Finance cost paid	17.2	(14 463 014)	(10 268 388)	(11 907 000)
Taxation paid	10.3	(4 457 848)	(1 363 517)	(4 161 507)
<b>Net cash flows generated/(utilised in) from operating activities</b>		<b>87 362 910</b>	<b>(633 231 721)</b>	<b>44 093 431</b>
<b>Cash flows from investing activities</b>				
Acquisition of property, plant and equipment	12	(12 623 495)	(6 948 802)	(8 342 834)
Proceeds on disposal of property, plant and equipment		145 075	-	119 121
Proceeds on disposal of investment property		-	22 081 420	-
Finance income received	17.2	967	463	936
Dividends received from associate	14.1	4 692 976	19 922 861	2 661 068
<b>Net cash flows (utilised in)/generated from investing activities</b>		<b>(7 784 477)</b>	<b>35 055 942</b>	<b>(5 561 709)</b>
Increase/(decrease) in cash and cash equivalents		79 578 433	(598 175 779)	38 531 722
Cash and cash equivalents at the beginning of the year		(32 026 118)	(1 915 475)	(17 358 294)
Net exchange differences		(82 555 959)	886 354	(91 046 156)
Effects of inflation		(34 869 084)	567 178 782	-
<b>Cash and cash equivalents at the end of the year</b>	<b>17.5</b>	<b>(69 872 728)</b>	<b>(32 026 118)</b>	<b>(69 872 728)</b>
				<b>(17 358 294)</b>

\* Historical cost results are included as supplementary information.

\*\*The comparative Company statement of changes in equity for the year ended 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



# COMPANY STATEMENT OF CASH FLOWS

For The Year Ended 31 March 2025

Notes	COMPANY				
	INFLATION ADJUSTED		*HISTORICAL COST		
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG	
<b>Cash flows from operating activities</b>					
Cash generated from/(utilised in) operations	17.4	13 168 454	10 263 690	(4 367 793)	(1 715 353)
Taxation paid	10.3	(425 787)	(1 011 324)	(241 435)	(71 501)
<b>Net cash flows generated/(utilised in) from operating activities</b>		<b>12 742 667</b>	<b>9 252 366</b>	<b>(4 609 228)</b>	<b>(1 786 854)</b>
<b>Cash flows from investing activities</b>					
Finance income received	17.2	697	463	666	95
Dividends received from associate	14.1	4 692 976	19 922 861	2 661 068	1 749 597
<b>Net cash flows generated from investing activities</b>		<b>4 693 673</b>	<b>19 923 324</b>	<b>2 661 734</b>	<b>1 749 692</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>		<b>17 436 340</b>	<b>29 175 690</b>	<b>(1 947 494)</b>	<b>(37 162)</b>
Cash and cash equivalents at the beginning of the year		156 752	3 750 165	84 960	66 061
Net exchange differences		3 565	103 437	2 044 977	56 061
Impact of inflation		(17 414 214)	(32 872 540)	-	-
<b>Cash and cash equivalents at the end of the year</b>	<b>17.5</b>	<b>182 443</b>	<b>156 752</b>	<b>182 443</b>	<b>84 960</b>

\* Historical cost results are included as supplementary information.

\*\*The comparative Company statement of changes in equity for the year ended 31 March 2024 which was previously presented in Zimbabwe Dollars (ZWL) was translated to Zimbabwe Gold (ZWG) with the rate of 2 498.72 as at 5 April 2024 when ZWG was introduced.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 1. CORPORATE INFORMATION

### 1.1 Corporate Information

The Group financial statements of Star Africa Corporation Limited (the "Company") and its subsidiaries (together the "Group") for the year ended 31 March 2025 were authorised for issue in accordance with a resolution of the directors on 30 June 2025. Star Africa Corporation Limited is a limited liability company incorporated and domiciled in Zimbabwe whose shares are publicly traded through the Zimbabwe Stock Exchange.

### 1.2 Nature of business

Name	% Equity interest		Nature of Business
	2025	2024	
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 and other food products
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%	Packaging and distribution of refined sugar
Safariland Investments (Private) Limited	70%	70%	Property-holding company

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

### 2.1 Basis of preparation

The Group prepares financial statements with the aim to fully comply with International Financial Reporting Standards ("IFRS") Accounting Standards 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. The Group initially prepares its financial statements using the historical cost before they are restated for the changes in the general purchasing power of the functional currency for the purposes of fair presentation in accordance with IAS 29 (Financial Reporting in Hyperinflationary Economies). The historic cost of assets and liabilities have been restated for changes in the general purchasing power of the Zimbabwe Gold (ZWG) and as a result are stated in terms of the measuring unit currency at the end of the reporting period. The prior period financial statements which were denoted in ZWL were converted using the ZWG rate initially introduced by the Reserve bank of Zimbabwe (RBZ) before they were adjusted for inflation for them to be comparable.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### **Determination of functional currency.**

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 Zimbabwe Dollar (ZWL) balances were converted into a new Zimbabwe Gold (ZWG), as at that date. The 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.

Given the context of the environment, management has assessed if there has been a change in the functional currency of the Group. The assessment included consideration of whether the use of free funds in paying for goods and services may represent a change in functional currency. In doing so, management considered the regulatory framework and parameters set in IAS 21 and made the judgements as follows:

#### **a. The currency that mainly influences the sales prices for goods and services**

For the year ended 31 March 2025, turnover was raised in both USD and ZWG currency. The overall composition of revenue was dominated with USD sales. However, prices to customers continue being quoted in both USD and ZWG, where customers give their preference based on the market liquidity prevalent. The Group projects to continue earning revenue in both currencies.

#### **b. The currency of the competitive forces and regulations that mainly determines the selling prices of goods and services.**

Zimbabwe is a multi-currency economy. Nonetheless, it is largely supplied by imports and there is increasing demand for foreign currency. However, according to the 2025 Monetary Policy Statement issued in February 2025, the Statement was issued at a time when the economy was experiencing relative inflation and exchange rate stability. Prior, the Reserve Bank had extensive stakeholder engagements and consultations to leverage critical feedback and inputs required in mapping the monetary policy priorities for 2025. The consultative meetings revealed broad acceptance of the ZWG by the market. The stakeholders commended the relative stability of the ZWG and implored the Reserve Bank to continue to stay the course of tight monetary policy to enhance confidence in the local currency and increase its usage, while ensuring adequate liquidity to support economic activity.

#### **c. The currency that mainly influences labour, material and other costs of providing goods and services (normally the currency in which such costs are denoted and settled)**

The currency that mainly influences labour, material and other costs of providing goods or services will often be the currency in which those costs are denominated and settled. During the year, the below are the compositions of transacting currencies on respective expenditures:

- raw sugar – procured on a ratio of USD:ZWG of 75:25 respectively;
- coal, water and electricity – procured on 100% ZWG basis;
- chemicals – procured on a ratio of USD:ZWG of 60:40 respectively and;
- staff related costs - incurred on a ratio of USD:ZWG of 80:20 respectively.

This composition of currency, however, fluctuated monthly in response to market liquidity.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.1 Basis of preparation (Continued)

#### Determination of functional currency. (continued)

##### d. The currency in which funds from financing activities are generated; and the currency in which receipts from operating activities are usually retained.

Financing activities refers to the issuing of debt and equity instruments. The Group utilised a bank overdraft facility to fund its working capital requirements. Interest is calculated on the USD denominated principal and payments are also in USD. The company did not have any local currency (ZWG) borrowing. The Group retains receipts from operating activities in both currencies.

##### e. Fungibility of ZWG currency

The ZWG currency is practically not fully fungible, due to factors that limit its interchangeability with other currencies or units. The main factors are regulatory constraints, as referenced on the website <https://www.veritaszim.net/node/7167>. Conversions slide in largely one direction, which is from USD to ZWG.

The Zimbabwe Gold (ZWG) currency's fungibility is affected by several regulations and laws. Key restrictions include:

- **Legal Tender Regulations** - The Reserve Bank of Zimbabwe (Legal Tender) Regulations, 2019 (SI 142 of 2019) declared the Zimbabwe dollar as the sole legal tender, restricting foreign currencies, including the Zimbabwe Gold, from being used as legal tender.
- **Exchange Control Act** - The Exchange Control Act, amended in 2019 and 2022, allows for civil penalties to be imposed on those who contravene the Act. However, subsection (2a) of the Act permits the use of foreign currency for certain transactions until December 31, 2030.
- **Finance Acts** - The Finance (No. 2) Act, 2019, and subsequent Finance Acts, re-enacted the regulations, solidifying the Zimbabwe dollar's position as the primary currency.
- **Presidential Powers (Temporary Measures) Act** - The new currency law, introduced in April 2024, is based on this Act, empowering the President to make regulations for urgent situations.

##### f. Zimbabwe's Monetary Policy Shift: RBZ's ZWG-Denominated Instruments

The RBZ deployed ZWG-denominated monetary policy instruments, specifically these are liquidity reserve ratios, benchmark lending rates (set at 130%), and foreign currency holding limits (effective from March 2025). By leveraging these tools, the RBZ aims to modulate liquidity, borrowing costs, and currency flows, ultimately shaping economic dynamics and maintaining stability in the ZWG ecosystem.

As discussed above, the Group revenue and costs have been an inconsistent mixture of currencies, on the back of Zimbabwe's government regulatory constraints, and fostering efforts to increase local currency dominance in the market. Consequently, it is management's view that the Group's functional currency remains the local currency, ZWG, until a time when national policies and practices promote use of foreign currency.

Based on the above, there appears to have been indicators that suggest a change in functional currency during the year. This is in conflict with the Central Bank's insistence on a de-dollarisation drive. Resultantly the Group's functional currency remain the local currency in line with the Central Bank's announcement of policy direction.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.2 Statement of compliance

These financial statements for the year ended 31 March 2025 have been prepared in accordance with International Financial Reporting Standards, except for the departure in 2.1 above, and in the manner required by the Zimbabwe Companies and Other Business Entities Act (Chapter 24:31).

### 2.3 Application of IAS 29: Financial reporting in hyperinflationary economies

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 mandates that financial statements prepared in the currency of a hyperinflationary economy must be presented in terms of the purchasing power at the balance sheet date. Comparative figures from the prior period must also be adjusted to reflect the same measuring unit. To achieve this, restatements were made using conversion factors based on the Consumer Price Index. The Group applied inflation adjustment factors calculated from monthly Consumer Price Indices published by the Zimbabwe National Statistics Agency (ZIMSTAT). The following factors were applied:

Month	All Items CPI Indices	Conversion Factors
March 2025	185	1.0000
February 2025	185	0.9995
January 2025	184	1.0040
December 2024	166	1.1094
November 2024	160	1.1502
October 2024	144	1.2849
September 2024	105	1.7635
August 2024	99	1.8655
July 2024	98	1.8923
June 2024	98	1.8900
May 2024	98	1.8908
April 2024	100	1.8450
March 2024	100	1.8450

The procedures applied in the above restatement of transactions and balances are as follows:



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (continued)

#### **Revenue, operating expenses and exchange gains or losses**

The historical line items were segregated into monthly totals and then the applicable monthly conversion factor was applied.

#### **Other income**

Other income was segregated into the respective month in which it was accrued and then the applicable monthly conversion factor was applied.

#### **Income tax expense**

Income tax was segregated into the respective quarters and the applicable quarterly conversion factor was applied.

#### **Gains on revaluation of property, plant, and equipment**

The fair value measurements were determined at year end. These were calculated as the balancing figure between the hyperinflation adjusted opening balances and the closing balances as derived from an independent valuer.

#### **Property, plant and equipment**

Property, plant and equipment was restated at 31 March 2025 conversion factor. Movements of additions and disposals were recalculated based on the date of the transactions. The difference between the hyper-inflated carrying amount and the closing fair value amount, as determined by an independent valuer, was accounted for as a revaluation gain through other comprehensive income.

#### **Investment properties**

Investment property was restated at the 31 March 2025 conversion factor. Movements of additions and disposals were recalculated based on the date of the transactions. The difference between the hyper-inflated carrying amount and the closing fair value amount was accounted for as fair value gain through profit or loss statement.

#### **Investment in associate**

Investment in associate represents a foreign investment in Botswana whose balance was not hyper-inflated but instead restated at the closing exchange rate between the ZWG and the Botswana Pula ("BWP").

#### **Deferred tax liability**

The closing balance was calculated based on the inflation adjusted balances of applicable assets and liabilities and the historical tax bases.

#### **Inventory**

Inventories were inflation adjusted based on the applicable adjustment factor. The balance was aged from year end to approximate date of acquisition.



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (continued)

#### Trade receivables

The amounts are a monetary asset and hence were not inflation adjusted as at 31 March 2025. Comparatives were restated at the adjustment factor as at 31 March 2024.

#### Prepayments

The amounts are a non-monetary asset and the balance was inflation adjusted using the applicable adjustment factor on the date of payment. The resulting differences were accounted for as part of monetary gain in profit or loss.

#### Cash and bank

The amounts are a monetary asset and hence were not inflation adjusted as at 31 March 2025. Comparatives were restated at the adjustment factor as at 31 March 2024.

#### Trade payables

The amounts are a monetary liability and hence were not inflation adjusted as at 31 March 2025. Comparatives were restated at the adjustment factor as at 31 March 2024.

#### Provisions

Non-monetary provisions were hyper-inflated using the applicable monthly adjustment factors. The resulting differences were accounted for as part of the net monetary gain in profit or loss. Monetary provisions were not inflation adjusted as at 31 March 2025.

#### Loans and borrowings

The amounts constitute monetary liabilities and thus were not inflation adjusted as at 31 March 2025. Comparatives were restated at the adjustment factor as at 31 March 2024.

#### Revaluation reserve

The opening revaluation reserve on the date of implementing IAS 29 was eliminated against non distributable reserves. The balance since then corresponded to recalculated gains on revaluation from hyperinflation adjusted property, plant and equipment movements.

#### Other reserves

The opening reserves was eliminated on the date of implementing IAS 29 against retained earnings. Movements from that date were recalculated by applying the conversion factors relevant to the date of the movement in the other reserves.

#### Issued capital

The opening balance was restated using the adjustment factor as at 31 March 2024. Movements from that date were recalculated using the adjustment factor at the date of the related movement.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.3 Application of IAS 29: Financial reporting in hyperinflationary economies (continued)

#### Statement of cash flow

The amounts were segregated into the respective months in which the cash flows occurred, and the applicable monthly factor used to hyper-inflate the amount. Gains or losses on cash flows were included in non-cash items.

#### Gain or loss on net monetary position

Gains and losses arising from net monetary position are included in the statement of profit or loss.

The historical cost information has been shown as supplementary information for the benefit of users. These are not required in terms of IAS 29. The independent auditor has not expressed an opinion on the historical cost information.

### 2.4 Basis of consolidation

The Group's financial statements comprise the financial statements of the Company and its subsidiaries as at 31 March 2025.

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, and
- 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. 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 statement of profit or loss and other comprehensive income from the date the Group gains control until the date the Group ceases to control the subsidiary.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.4 Basis of consolidation (continued)

Profit or loss and each component of other comprehensive income ("OCI") 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 into line with the Group's accounting policies. All intra-group assets, 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 assets (including goodwill) and liabilities of the subsidiary.
- Derecognises the carrying amount of any non-controlling interests.
- Derecognises the cumulative translation differences recorded in equity.
- Recognises the fair value of the consideration received.
- Recognises the fair value of any investment retained.
- Recognises any surplus or deficit in profit or loss.

Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

### 2.5 New or revised standards or amended and interpretations

#### 2.5.1 Standards issued and effective in the current year

Some accounting pronouncements which have become effective 1 January 2024 have therefore been adopted and do not have a significant impact on the groups financial results or position.

#### 2.5.2 Amendments to IFRS 16: Lease Liability in a Sale and Leaseback

In September 2022, the IASB issued amendments to IFRS 16 to specify the requirements that a seller-lessee uses in measuring the lease liability arising in a sale and leaseback transaction, to ensure the seller-lessee does not recognise any amount of the gain or loss that relates to the right of use it retains. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must applied retrospectively to sale and leaseback transactions entered into after the date of initial application of IFRS 16. Earlier application is permitted and that fact must be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.5 New or revised standards or amended and interpretations (continued)

#### 2.5.2 Standards issued effective in the current year (continued)

##### **Amendments to IAS 1: Classification of Liabilities as Current or Non-current**

In January 2020 and October 2022, the IASB issued amendments to paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify:

- What is meant by a right to defer settlement.
- That a right to defer must exist at the end of the reporting period.
- That classification is unaffected by the likelihood that an entity will exercise its deferral right.
- That only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification.

In addition, a requirement has been introduced to require disclosure when a liability arising from a loan agreement is classified as non-current and the entity's right to defer settlement is contingent on compliance with future covenants within twelve months. The amendments are effective for annual reporting periods beginning on or after 1 January 2024 and must be applied retrospectively. The Group is currently assessing the impact the amendments will have on current practice and whether existing loan agreements may require renegotiation.

##### **Supplier Finance Arrangements - Amendments to IAS 7 and IFRS 7**

In May 2023, the IASB issued amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures to clarify the characteristics of supplier finance arrangements and require additional disclosure of such arrangements. The disclosure requirements in the amendments are intended to assist users of financial statements in understanding the effects of supplier finance arrangements on an entity's liabilities, cash flows and exposure to liquidity risk. The amendments will be effective for annual reporting periods beginning on or after 1 January 2024. Early adoption is permitted, but will need to be disclosed. The amendments are not expected to have a material impact on the Group's financial statements.

#### 2.5.3 Standards issued but not yet effective

The standards and interpretations that are issued, but not yet effective, up to the date of issuance of the Group's financial statements are disclosed below. The Group intends to adopt these standards, if applicable, when they become effective.

##### **Amendments to IAS 21: Lack of Exchangeability**

The amendments include both updates to guidance to assist preparers in correctly accounting for foreign currency items and increases the level of disclosure required to help users understand the impact of a lack of exchangeability on the financial statements.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.5.3 Standards issued but not yet effective (continued)

#### Amendments to IAS 21: Lack of Exchangeability (continued)

##### The amendments:

- Introduce a definition of whether a currency is exchangeable, and the process by which an entity should assess this exchangeability. This includes application guidance included in a new Appendix A;
- Provide guidance on how an entity should estimate a spot exchange rate in cases where a currency is not exchangeable; and;
- Require additional disclosures in cases where an entity has estimated a spot exchange rate due to a lack of exchangeability, including the nature and financial impact of the lack of exchangeability, and details of the spot exchange rate used and the estimation process.

These amendments only affect entities that are required to report foreign currency transactions where there is a long-term lack of exchangeability between currencies; and

Affected entities may be required to adjust the carrying value of any monetary items that have been translated from a foreign currency which is not exchangeable, and will be required to provide additional disclosures on how the new spot rate has been determined.

The directors are still assessing the impact of IAS 21 on the financial statements of the Group.

The amendments are effective for reporting periods beginning on or after 1 January 2025.

#### IFRS 18: Presentation and Disclosures in Financial Statements

IFRS 18 was developed to address the lack of detailed requirements in IAS 1 for the following areas:

- the classification of income and expenses in the statement of profit or loss;
- the presentation of subtotals in the statement of profit or loss; and
- the aggregation and disaggregation of information presented in the primary financial statements or disclosed in the notes

IFRS 18 requires foreign exchange differences to be classified in the same category of the statement of profit or loss as the income and expenses from items that gave rise to the foreign exchange differences.

The assessment of an entity's main business activities is therefore going to be a key judgement which may significantly impact the geography of where items appear in the statement of profit or loss.

IFRS 18 introduces the concept of a 'management-defined performance measure' (MPM) in order to address the significant diversity in practice currently seen when it comes to so-called 'alternative performance measures' and any non-GAAP performance measures.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.5.3 Standards issued but not yet effective (continued)

#### **IFRS 18: Presentation and Disclosures in Financial Statements (continued)**

The Standard requires entities that present expenses classified by function to disclose the amount of depreciation, amortisation, employee benefits, impairment losses and write-down of inventories included in each line in the operating category of the statement of profit or loss.

The directors are still assessing the impact of IFRS 18 on the financial statements of the Group.

The amendments are effective for reporting periods beginning on or after 1 January 2027.

### 2.6 Significant accounting judgments, estimates and assumptions

The preparation of the Group's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosure of contingent liabilities, at the end of the reporting period. However, uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in future periods.

In the process of applying the Group's accounting policies, management has determined the following estimates and made the following assumptions, which have the most significant effect on the amounts recognised in the consolidated financial statements:

#### **Estimates and assumptions**

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described below. The Group based its assumptions and estimates on parameters available when the consolidated financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

#### **i. Useful lives and residual values of property, plant and equipment**

The Group assesses useful lives and residual values of property, plant and equipment each year taking into consideration past experience, technology changes and the local operating environment. Refer to Note 12 and accounting policy note for more information on property, plant and equipment.

#### **ii. Revaluation of property, plant and equipment and fair value of investment property**

The Group carries its investment property at fair value, with changes in fair value being recognised in profit or loss. In addition, it measures property, plant and equipment at revalued amounts with changes in fair value being recognised in other comprehensive income.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Significant accounting judgments, estimates and assumptions

#### ii. Revaluation of property, plant and equipment and fair value of investment property (continued)

The Group engaged independent valuation specialists, Integrated Properties (Private) Limited, to determine fair values of properties held by the Group as at 31 March 2025. Valuation models in accordance with recommendations by the International Valuation Standards Committee have been applied. The key assumptions in coming up with fair values are future rental income, anticipated maintenance costs, future development costs and the appropriate discount rate.

#### iii. Allowance for expected credit losses ("ECL")

The Group uses a provision matrix to calculate ECLs on trade and other receivables. 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).

The provision matrix is initially based on the Group's historical observed default rates. The Group then calibrate the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e., inflation, gross domestic product growth rate) are expected to deteriorate over the next year, which can lead to an increased number of defaults in the 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's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future. The information about the ECLs on the Group's trade receivables and the carrying amount of receivables is disclosed in Note 26.4.

#### iv. Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits, together with future tax planning strategies.

#### v. Variable returns

The Group estimates variable considerations to be included in the transaction price for the sale of goods with rights of return and volume rebates. The Group developed a statistical model for forecasting sales returns. The model used the historical return data of each product to come up with expected return percentages. These percentages are applied to determine the expected value of the variable consideration. Any significant changes in experience as compared to historical return pattern will impact the expected return percentages estimated by the Group. The Group's expected volume rebates are analysed on a per customer basis for contracts that are subject to a single volume threshold. Determining whether a customer will be likely entitled to rebate will depend on the customer's historical rebates entitlement and accumulated purchases to date. The Group applied a statistical model for estimating expected volume rebates for contracts with more than one volume threshold.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.6 Significant accounting judgments, estimates and assumptions

#### v. Variable returns (continued)

The model uses the historical purchasing patterns and rebates entitlement of customers to determine the expected rebate percentages and the expected value of the variable consideration. Any significant changes in experience as compared to historical purchasing patterns and rebate entitlements of customers will impact the expected rebate percentages estimated by the Group.

The Group updates its assessment of expected returns and volume rebates quarterly and the refund liabilities are adjusted accordingly. Estimates of expected returns and volume rebates are sensitive to changes in circumstances and the Group's experience regarding returns and rebate entitlements may not be representative of customers' actual returns and rebate entitlements in the future. As at 31 March 2024 there were no amounts recognised as either refund liabilities for the expected returns or volume rebates as the accumulated purchases to date for the eligible customers were not significant thereby making the resultant estimates for rebates and returns immaterial.

#### vi. Investment property without title deeds

Three (3) properties have no title deeds. Of these, one (1) is held under lease with rural district councils. Transfer of ownership is in progress for these properties. Management assessed whether these properties were in the control of the Company to warrant their recognition as assets of the Company in its books. Management determined that, while the legal title has not yet passed to the Company pending completion of outstanding administrative tasks to give effect to the transfer, the Company is exposed to the risks and rewards associated with these assets. Further, the Company has the power to direct the operations of the properties and determine how best the properties can be used as the Company sees fit from time to time. There are no encumbrances on these properties due to debt or loan commitments. All future benefits associated with these assets are expected to accrue to the Company. Management has, therefore, determined that these are assets within the control of the Company and, consequently, have been recognised as the Company's investment property in the statement of financial position as at 31 March 2025.

### 2.7 Foreign currency translations

The Group's consolidated financial statements are presented in Zimbabwe Gold (ZWG), which is also the parent company's functional currency. Each entity in the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.7 Foreign currency translations

#### i) Transactions and balances

Transactions in foreign currencies are initially recorded by the Group entities at their respective functional currency rates prevailing at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rate of exchange ruling at the reporting date. All differences are taken to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recorded in equity. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

In determining the spot exchange rate to use on initial recognition of the related asset, expense, or income (or part of it) on the derecognition of a non-monetary asset or non-monetary liability relating to advance consideration, the date of the transaction is the date on which the Group initially recognises the non-monetary asset or non-monetary liability arising from the advance consideration. If there are multiple payments or receipts in advance, the Group determines the transaction date for each payment or receipt of advance consideration.

#### ii) Group companies

The assets and liabilities of foreign operations are translated to ZWG at the rate of exchange prevailing at the reporting date and their statements of comprehensive income are translated at exchange rates prevailing at the date of the transactions. The exchange differences arising on the translation are recognised in other comprehensive income. On disposal of a foreign operation, the component of other comprehensive income relating to that particular foreign operation is recognised in profit or loss.

### 2.8 Revenue from contracts with customers

#### Accounting policy

The Group recognised revenue primarily from the sale of granulated sugar and sugar specialties products. Sugar specialties are products made from sugar which comprise icing sugar, caster sugar, syrups and caramel. Revenue from contracts with customers is recognised when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services (i.e. its transaction price). The Group has generally concluded that it is the principal in its revenue arrangements because it typically controls the goods or services before transferring them to the customer.

#### Sale of goods

Revenue from sale of goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the goods. The normal credit term is 14 days upon delivery.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Revenue from contracts with customers (continued)

#### Sales of goods (continued)

Delivery of the goods is a performance obligation that takes place at a point in time.

The Group recognises that delivery has occurred when control of the goods has passed on to the customer in the following manner,

#### Sale of goods to collecting customers

Revenue is recognised when the Group has loaded the goods on the vehicle designated by the customer as the shipper with express acknowledgement of taking over the consignment having been received from the customer. In this instance, the performance obligation of the Group is limited to the transfer of possession of the goods at Group's premises through loading of the customer's vehicle/carriage.

#### Sales of goods to customers with delivery

Revenue is recognised when the Group has satisfied two performance obligations being (a) delivery of the goods to the customer's premises at the Group's own cost and (b) transfer of control of the goods through handing over of the goods to customer with the express acknowledgment from customer that they have taken possession and control of the goods. Management has assessed that the service provided to the customer of delivery is significantly integrated to the performance obligation of selling the good as the two are performed pursuant to a single commercial objective. Consequently, management accounts for the sale of sugar and specialties and their delivery as one performance obligation with no need to split the transaction price.

#### Variable consideration

If the consideration in a contract includes a variable amount, the Group estimates the amount of consideration to which it will be entitled in exchange for transferring the goods to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved. Some contracts for the sale of goods give customers a right of return and volume rebates. The rights of return and volume rebates give rise to variable consideration.

#### Rights of return

Certain contracts provide a customer with a right to return the goods within a specified period. The Group uses the expected value method to estimate the goods that will not be returned because this method best predicts the amount of variable consideration to which the Group will be entitled. The requirements in IFRS 15 on constraining estimates of variable consideration are also applied in order to determine the amount of variable consideration that can be included in the transaction price. For goods that are expected to be returned, instead of revenue, the Group recognises a refund liability. A right of return asset (and corresponding adjustment to cost of sales) is also recognised for the right to recover products from a customer. Management estimates the possible extent of returns (as a percentage of total volumes sold) using the expected value method as determined through analysis of history of returns for specific customers with an established trade pattern from which the Group draws its estimates, and then raises an allowance for such returns. At each reporting date, the Group assesses the sufficiency of the allowance for returns previously made and makes the necessary accounting adjustments.



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.8 Revenue from contracts with customers (continued)

#### Rights of return (continued)

For goods that are expected to be returned, the Group recognises a contract liability processed against revenue. It is the Group's policy to recognise 0.26% of the qualifying revenue as a contract liability arising from customers' rights of return. At the end of each financial year, the Group assesses the appropriateness of the allowance and makes the necessary adjustments after comparing the actual value of returned goods over a specified period of time against the allowance that would have been created. In applying this policy, management computed a value of ZWG4,421,702 (2024 : ZWG3,635,304) as the potential contract liability arising from customers' rights of return. The amounts were considered too trivial to raise as contract liabilities in the financial statements.

#### Volume rebates

The Group provides retrospective volume rebates to certain customers once the quantity of products purchased during the period exceeds a threshold specified in the contracts. Rebates are only included as part of revenue if, and to the extent that, it is highly probable that their inclusion will not result in a significant revenue reversal in the future as result of a re-estimation. To estimate the variable consideration for the expected future rebates, the Group applies the expected value method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract. The Group then applies the requirements on constraining estimates of variable consideration and recognises a refund liability for the expected future rebates.

### 2.9 Interest income

For all financial instruments measured at amortised cost, interest income or expense is recorded using the effective interest rate ("EIR"), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset or liability. Interest income is included in finance income in the statement of profit or loss and other comprehensive income.

### 2.10 Dividend income

Revenue is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

### 2.11 Rental income

Rental income arising from operating leases on investment property is recognised monthly based on the lease terms which are generally on short term and subject to review after every twelve months. Amounts received from tenants to terminate leases or to compensate for dilapidations are recognised in profit or loss when they arise.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.12 Cost of sales

Cost of sales is normally the carrying value of inventories sold and any net realisable value adjustments. The amount also includes depreciation of plant and wages of factory employees. The Group also recognises costs related to rental of properties such as management fees in its cost of sales.

### 2.13 Taxes

#### Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, by the reporting date, in the countries where the Group operates and generates taxable income. Current income tax relating to items recognised directly in equity or other comprehensive income is recognised in equity or other comprehensive income and not in profit or loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

#### Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes. Deferred tax liabilities are recognised for all taxable temporary differences, except:

- a. Where the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss; and
- b. In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint arrangements, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.13 Taxes (continued)

#### Deferred tax (continued)

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- a. When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- b. In respect of deductible temporary differences associated with investments in subsidiaries associates and interest in joint arrangements, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered. Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss. Deferred tax items are recognised in relation to the underlying transaction either in profit or loss, other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Value Added Tax ("VAT")

Revenues, expenses and assets are recognised net of the amount of VAT except:

- a. Where the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the VAT is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable.
- b. Receivables and payables that are stated with the amount of VAT included. The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.14 Pensions and other post-employment benefits

Retirement benefits are provided for eligible employees through an independently administered defined contribution fund, including the National Social Security Authority ("NSSA"). Contributions to these funds are recognised as an expense in the period to which employees' services relate. All eligible employees are required to be members of a Star Africa Group contributory pension scheme administered by an employee benefit consultancy company.

### 2.15 Financial assets

#### Initial recognition and measurement

Financial assets are classified, at initial recognition, as subsequently measured at amortised cost, fair value through OCI, and fair value through profit or loss.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. Except for trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient are measured at the transaction price determined under IFRS 15. Refer to the accounting policies in section (e) Revenue from contracts with customers.

In order for a financial asset to be classified and measured at amortised cost or fair value through OCI, it needs to give rise to cash flows that are 'solely payments of principal and interest ("SPPI") on the principal amount outstanding. This assessment is referred to as the SPPI test and is performed at an instrument level.

The Group's business model for managing financial assets refers to how it manages its financial assets in order to generate cash flows. The business model determines whether cash flows will result from collecting contractual cash flows, selling the financial assets, or both.

#### Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in the following category:

- Financial assets at amortised cost (debt instruments)



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## **2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)**

### **2.15 Financial assets (continued)**

#### **Financial assets at amortised cost (debt instruments)**

This category is the most relevant to the Group. The Group measures financial assets at amortised cost if both of the following conditions are met:

- a. The financial asset is held within a business model with the objective to hold financial assets in order to collect contractual cash flows.
- and
- b. The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

Financial assets at amortised cost are subsequently measured using the effective interest method to less allowance for expected credit losses. Gains and losses are recognised in profit or loss when the asset is derecognised, modified or impaired.

The Group's financial assets at amortised cost includes trade receivables, cash and cash equivalents and loans to related parties.

Further disclosures relating to impairment of financial assets are also provided under Trade receivables, Note 13.

#### **Impairment of financial assets**

The Group recognises an allowance for ECL for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Group expects to receive, discounted at an approximation of the original effective interest rate.

The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

For trade receivables and contract assets, the Group applies a simplified approach in calculating ECLs. 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 has established a provision matrix that is based on its historical credit losses experience, adjusted for forward-looking information.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.15 Financial assets (continued)

#### **Impairment of financial assets (continued)**

The Group considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Group may also consider a financial asset to be in default when internal or external information indicates that the Group is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Group. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

#### **Derecognition**

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e., removed from the Group's consolidated statement of financial position) when:

- The rights to receive cash flows from the asset have expired  
or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either
  - (a) the Group has transferred substantially all the risks and rewards of the asset, or
  - (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

### 2.16 Financial liabilities

#### **Initial recognition and measurement**

Financial liabilities are recognised initially at fair value, net of directly attributable transaction costs. The Group's financial liabilities include trade and other payables and loans and borrowings including bank overdrafts.

#### **Subsequent measurement**

After initial recognition, financial liabilities are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the effective interest rate method amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss and other comprehensive income.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.16 Financial liabilities (continued)

#### **De-recognition of financial liabilities**

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in profit or loss.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are off-set and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 2.17 Property, plant and equipment

Property, plant and equipment, which includes land and buildings, are measured at fair value less accumulated depreciation and impairment losses charged subsequent to the date of revaluation. Any revaluation surplus is recognised in other comprehensive income and accumulated in the asset revaluation reserve in equity, that it reverses a revaluation deficit of the same asset previously recognised in profit or loss, the increase is recognised in profit and loss. A revaluation deficit is recognised in profit or loss, except to the extent that it offsets an existing surplus on the same asset recognised in the asset revaluation surplus. At the date of revaluation, the accumulated depreciation is eliminated against the gross carrying amount of the asset. Upon disposal, any revaluation reserve relating to the particular asset being sold is transferred to retained earnings. Valuations are performed frequently enough to ensure that the fair value of a revalued asset does not differ materially from its carrying amount. When each major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repairs and maintenance costs are recognised in profit or loss as incurred.

#### **Depreciation is calculated on a straight-line basis over the estimated useful life of the asset as follows:**

Plant and machinery	5% - 15% straight line
Motor vehicles	10% - 30% straight line
Furniture and equipment	10% - 33.3% straight line
Buildings	2% straight line

An item of plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognised. The assets' residual values, useful lives and methods of depreciation are reviewed at each financial year end, and prospectively adjusted, if appropriate.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.18 Leases

The determination of whether an arrangement is, or contains, a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset (or assets) and the arrangement conveys a right to use the asset (or assets), even if that asset is (or those assets are) not explicitly specified in an arrangement.

#### Group as a lessor

The Group has contractual arrangements which do not substantially transfer all the risks and rewards of ownership to third parties utilising those assets. Rental income arising from those arrangements is accounted for on a straight -line basis over the term of the arrangement and is included in profit or loss. Contingent rents are recognised as revenue in the period in which they are earned.

The Group did not award any rent concessions during prior year nor in the 2024 financial year. Lease receivables have also been included in the allowance for expected credit losses as it appears on the face of the statement of profit and loss and other comprehensive income. There was no voluntary forgiveness of any lease receivables. Also straight lining of the lease income did not apply as none of lease agreements with lessees contain rent escalation clauses. Lease receivables were scoped into the expected credit loss model with an allowance quantified and recognised in the financial statements.

The Group leases residential and industrial properties all around the country for lease periods not exceeding 12 months which are renewable only with the express agreement of the Group as the lessor. The Group retains the ownership rights over the properties by not putting any clauses in the contract which, explicitly or implicitly, cede the rights over the properties to the lessees. The contracts are kept as short-term without any automatic renewal clauses in the agreements.

#### Group as a lessee

The Group is a lessee in contracts for use of pallets and mobile equipment. However, the contracts are of a short term nature and as such the Group has elected to apply the exemptions under paragraphs 5 and 6 of IFRS 16 that allow it to recognise the lease payments on a straight-line basis.

### 2.19 Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective assets.

All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. During the current year there were no borrowing costs that were capitalised to qualifying assets.



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.20 Inventories

Inventories are valued at the lower of cost and net realisable value. Costs incurred in bringing each product to its present location and condition are accounted for as follows:

- Raw materials: weighted average method
- Finished goods and work in progress: cost of direct materials and labour and a proportion of manufacturing overheads based on the normal operating capacity but excluding borrowing costs.
- Consumables: weighted average method

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 2.21 Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash at banks and on hand and short-term deposits with a maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the consolidated statement of cash flows, cash and cash equivalents consist of cash and cash equivalents less bank overdrafts. Cash falls into the debt instruments category and are accounted for at amortised cost.

### 2.22 Investments in associates and subsidiaries

#### 2.22.1 Investment in an associate

The financial results of the Group's associate are included in the Group's results according to the equity method from acquisition date until the disposal date. Under this method, subsequent to the acquisition date, the Group's share of profits or losses of associate is charged to profit or loss as equity accounted earnings and its share of movements in other comprehensive income and equity is recognised in other comprehensive income or equity. All cumulative post-acquisition movements in the equity of associates are adjusted against the cost of the investment. When the Group's share of losses in associates equals or exceeds its interest in those associates, the Group does not recognise further losses, unless the Group has incurred a legal or constructive obligation or made payments on behalf of those associates. Goodwill relating to associate is included in the carrying value of the associate and is not amortised or separately tested for impairment.

The total carrying value of associate, including goodwill, is tested for impairment when there is objective evidence that the investment in the associate is impaired. If impaired, the carrying value of the Group's share of the underlying assets of the associate is written down to its estimated recoverable amount in accordance with the accounting policy on impairment and charged to profit or loss. Unrealised gains and losses resulting from transactions between the Group and associate are eliminated to the extent of the interest in the associate.

The associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. In the Company financial statements, the investment in associate is accounted for at cost.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 2 SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

### 2.22.2 Investment in subsidiary

The subsidiary's accounting policies conform to those used by the Group for like transactions and events in similar circumstances. In the Company's financial statements, the investment in subsidiary's accounted for at cost.

### 2.23 Investment property

Investment properties are measured initially at historical cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at fair value, which reflects market conditions at the reporting date. Gains or losses arising from changes in the fair values of investment properties are included in profit or loss in the period in which they arise, including corresponding tax effect. Fair values are evaluated annually by an accredited external, independent valuer, applying a valuation model recommended by the International Valuation Standards Committee.

Transfers are made to or from investment property only when there is a change in use. For a transfer from investment property to owner-occupied property, the deemed cost for subsequent accounting is the fair value at the date of change in use. If owner-occupied property becomes an investment property, the Group accounts for such property in accordance with the policy stated under property, plant and equipment up to the date of change in use.

### 2.23 Investment property (continued)

Investment properties are derecognised when either they have been disposed off (i.e. at the date the recipient obtains control) or when the investment property is permanently withdrawn from use and no future economic benefit is expected from its disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognised in profit or loss in the period of derecognition.

### 2.24 Impairment of non-financial assets

Further disclosures relating to impairment of non-financial assets are also provided in the following notes:

- Disclosures for significant assumptions Note 2.6
- Property, plant and equipment Note 12

### 2.25 Other income

Other income in the statement of profit and loss and other comprehensive income represents income derived from activities unrelated to the main focus of Star Africa Corporation Limited. This includes profit from disposal of property, plant and equipment, scrap, loan write-downs, weighbridge income and insurance claims.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

Notes	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
	3.1	3.2		
<b>3 Total revenue</b>				
Revenue from contracts with customers	1 700 654 613	1 398 193 885	1 179 866 559	150 498 289
Rental income	9 536 863	7 622 759	7 345 675	632 896
	<b>1 710 191 476</b>	<b>1 405 816 644</b>	<b>1 187 212 234</b>	<b>151 131 185</b>
Set out below is the disaggregation of the Group's revenue:				
<b>3.1 Revenue from contracts with customers</b>				
<b>Food Segment</b>				
<b>Revenue Type</b>				
Refined sugar	1 522 763 454	1 235 163 290	1 046 665 749	135 865 614
Sugar specialties	177 891 159	163 030 595	133 200 810	14 632 675
	<b>1 700 654 613</b>	<b>1 398 193 885</b>	<b>1 179 866 559</b>	<b>150 498 289</b>
<b>Geographical markets</b>				
Zimbabwe	1 700 654 613	1 398 193 885	1 179 866 559	150 498 289
Timing of revenue recognition				
Goods transferred at a point in time	<b>1 700 654 613</b>	<b>1 398 193 885</b>	<b>1 179 866 559</b>	<b>150 498 289</b>

During the financial year ended 31 March 2025, no exports were made.

Year ended 31 March 2025	INFLATION ADJUSTED		*HISTORICAL COST	
	2025** ZWG	2024 ZWG	2025 ZWG	**2024 ZWG
<b>Revenue</b>				
External customers	1 700 654 613	1 398 193 885	1 179 866 559	150 498 289
Inter-segment	108 270 069	90 481 220	78 945 092	9 187 365
	<b>1 808 924 682</b>	<b>1 488 675 105</b>	<b>1 258 811 651</b>	<b>159 685 654</b>
Inter-segment adjustments and eliminations	(108 270 069)	(90 481 220)	(78 945 092)	(9 187 365)
	<b>1 700 654 613</b>	<b>1 398 193 885</b>	<b>1 179 866 559</b>	<b>150 498 289</b>

Set out below, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 23)

## 3.2 Revenue from rental income

Properties segment			
Revenue type			
Rental income	9 536 863	7 622 759	7 345 675

Set out on the next page, is the reconciliation of the revenue from contracts with customers with the amounts disclosed in the segment information (note 23)



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 3 TOTAL REVENUE (CONTINUED)

### 3.2 Revenue from rental income (continued)

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Year ended 31 March 2025</b>				
<b>Revenue</b>				
External customers	9 536 863	7 622 759	7 345 675	632 896
External customers Inter-segment	9 536 863	7 622 759	7 345 675	632 896
Inter-segment	-	-	-	-
Inter-segment adjustments and eliminations	9 536 863	7 622 759	7 345 675	632 896
	-	-	-	-
	9 536 863	7 622 759	7 345 675	632 896

### 3.3 Liabilities related to contracts with customers

The Group has recognised the following liabilities related to contracts with customers for sale of goods, see note 22:

Obligation to transfer goods for advance consideration received from customers

	736 140	16 119 515	736 140	8 736 847

## 4 COST OF SALES

Direct employment costs (4.1)

43 854 318	60 556 936	32 042 661	5 175 480
10 264 688	5 726 661	7 488 207	616 777
1 519 850	1 532 784	980 112	151 962
1 118 153 603	903 090 381	770 949 282	103 296 824
42 336 866	24 626 322	30 036 543	2 678 878
7 881 436	9 222 268	5 659 540	836 912
56 905 299	41 531 042	39 849 007	4 990 999
3 323 901	496 156	2 756 367	15 035
32 703 056	39 475 981	22 386 041	3 322 472
53 547 502	61 836 080	39 555 697	6 641 767
<b>1 370 490 519</b>	<b>1 148 094 611</b>	<b>951 703 457</b>	<b>127 727 106</b>

### 4.1 Direct employment costs

Basic wages and salaries

43 854 318	60 556 936	32 042 661	5 175 480



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 5 OTHER INCOME

Year ended 31 March 2025	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Profit from disposal of investment property	-	7 268 788	-	928 584
Loss from disposal of property, plant and equipment	(405 174)	-	(192 888)	-
Other sundry income *	12 472 885	4 819 855	9 373 198	761 653
	<b>12 067 711</b>	<b>12 088 643</b>	<b>9 180 310</b>	<b>1 690 237</b>

\*Other sundry income comprises of scrap sales and weighbridge income.

## 6 OPERATING EXPENSES

### 6.1 Selling and distribution expenses

Merchandising	9 929 558	9 612 695	7 221 270	957 596
Advertising	1 579 009	2 435 072	1 124 473	205 855
Quantity and settlement discounts	2 235 266	81 981 796	2 210 683	2 916 868
Distribution	16 604 860	11 880 914	12 487 262	1 128 534
	<b>30 348 693</b>	<b>105 910 477</b>	<b>23 043 688</b>	<b>5 208 853</b>

### 6.2 Administrative expenses

Indirect employment costs (6.2.1)	96 192 853	172 043 441	69 675 953	14 625 956
Directors' emoluments (6.2.2)	2 171 887	15 860 571	1 954 768	1 308 195
Other overheads (6.2.3)	149 187 083	101 070 411	108 780 897	10 926 576
Depreciation	4 604 428	3 476 864	3 624 955	70 184
	<b>252 156 251</b>	<b>292 451 287</b>	<b>184 036 573</b>	<b>26 930 911</b>

#### 6.2.1 Indirect employment costs

Basic wages and salaries	34 178 569	43 743 078	24 596 759	3 917 849
Allowances	6 206 861	21 375 416	4 629 164	1 501 729
Bonuses	166 496	-	166 589	-
Social security and health insurance costs	12 640 474	16 658 479	9 289 379	1 329 514
Defined contribution plan	6 073 726	7 396 694	4 403 778	630 086
Movement in leave pay provision	2 913 151	22 519 064	2 913 151	2 043 797
Long service award/gratuity	651 292	22 131 311	535 839	1 432 997
Staff welfare	27 273 266	22 835 580	19 853 437	2 238 982
Other staff costs	6 089 018	15 383 819	3 287 857	1 531 002
	<b>96 192 853</b>	<b>172 043 441</b>	<b>69 675 953</b>	<b>14 625 956</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 6 OPERATING EXPENSES (CONTINUED)

Year ended 31 March 2025	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>6.2.2 Directors' emoluments:</b>				
Fees	2 171 887	3 341 593	1 954 768	377 818
Pension	-	5 807	-	419
Salaries and other benefits	-	12 513 171	-	929 958
	<b>2 171 887</b>	<b>15 860 571</b>	<b>1 954 768</b>	<b>1 308 195</b>
<b>6.2.3 Other overheads</b>				
Intermediated Money Transfer Tax ("IMTT")	22 153 634	10 700 911	13 557 926	1 044 244
Auditors' remuneration	2 706 768	7 784 415	2 113 968	777 040
Information, communication and technology	3 441 977	3 378 391	2 497 219	282 509
Office administration and sundry costs	10 951 755	3 739 332	9 086 498	360 001
Professional fees and subscriptions	68 233 483	30 083 452	50 620 686	3 668 066
Buildings and Furniture - Repairs and maintenance	912 009	1 372 980	701 579	104 796
Insurance and licenses	2 931 860	3 284 661	2 112 792	405 777
Vehicles expenses	2 171 267	2 146 879	1 714 076	269 183
Bank charges	4 281 053	3 567 121	3 086 173	270 205
Communication expenses	169 762	163 214	130 081	12 121
Security costs	10 924 839	14 281 116	8 429 161	961 372
Safety, health and environmental costs	10 279 807	13 369 439	7 289 252	1 174 798
Utilities, rent and rates	7 123 349	3 641 058	4 914 812	353 526
Staff welfare	-	1 766 059	-	832 560
Legal costs	2 905 520	1 791 383	2 526 674	410 378
	<b>149 187 083</b>	<b>101 070 411</b>	<b>108 780 897</b>	<b>10 926 576</b>
<b>6.2.4 Administrative expenses (Company)</b>				
Bank charges	15 867	9 460	13 386	2 121
<b>7 EXCHANGE LOSSES</b>	<b>224 941 092</b>	<b>376 258 801</b>	<b>142 101 652</b>	<b>62 082 505</b>
<b>8 NET FINANCE COSTS</b>				
Finance income	(967)	(463)	(936)	(95)
Finance costs	14 463 014	10 268 388	11 907 000	818 588
	<b>14 462 047</b>	<b>10 267 925</b>	<b>11 906 064</b>	<b>818 493</b>
<b>9 (LOSS)/PROFIT FROM OPERATING ACTIVITIES</b>	<b>(123 060 177)</b>	<b>89 644 494</b>	<b>22 654 035</b>	<b>(5 456 034)</b>

(Loss)/profit from operating activities is arrived at after taking into account the following:

Directors' emoluments:	2 171 887	15 860 571	1 954 768	1 308 195
Exchange losses	224 941 092	376 258 801	142 101 652	62 082 505
Auditors' remuneration	2 706 768	7 784 415	2 113 968	777 040
Indirect employment costs	96 192 853	172 043 441	69 675 953	14 625 956



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 10 INCOME TAX

Year ended 31 March 2025	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>10.1 Income tax (Group)</b>				
Current income tax charge	962 915	47 309	962 915	25 642
Tax on foreign dividends	938 595	1 831 869	532 214	992 881
Capital gains tax	4 774 225	979 290	4 774 225	530 779
Deferred tax charge/(credit)	(326 634)	4 243 449	(19 987 130)	(2 308 029)
	<b>6 349 101</b>	<b>7 101 917</b>	<b>(13 717 776)</b>	<b>(758 727)</b>
<b>Income tax (Company)</b>				
Tax on foreign dividends	938 595	1 831 869	532 214	992 881
Deferred tax charge/(credit)	(24 616)	7 719	(11 208)	11 848
	<b>913 979</b>	<b>1 839 588</b>	<b>521 006</b>	<b>1 004 729</b>
<b>10.2 Income tax reconciliation (Group)</b>				
Profit/(loss) before tax	(123 060 177)	89 644 494	22 654 035	(5 456 034)
Tax charge on profit before tax	(31 687 996)	23 083 457	5 833 414	(1 404 929)
Adjusted for:				
Permanent differences	23 248 061	6 189 830	8 832 301	773 792
Temporary differences	30 575 123	(17 824 383)	(12 714 238)	2 004 440
Dividend taxed at different rate	(269 846)	(484 668)	(153 012)	(38 637)
Capital gains tax at different rate	(15 516 241)	(3 862 319)	(15 516 241)	(2 093 393)
	<b>6 349 101</b>	<b>7 101 917</b>	<b>(13 717 776)</b>	<b>(758 727)</b>
<b>Income tax reconciliation (Company)</b>				
Profit/(loss) before tax	4 230 122	(11 486 945)	5 023 257	2 131 667
Tax charge on profit before tax	1 089 256	(2 957 888)	1 293 489	548 904
Adjusted for:				
Permanent differences	(179)	2 224	(171)	502
Temporary differences	94 748	5 279 920	(619 299)	493 960
Dividend taxed at different rate	(269 846)	(484 668)	(153 012)	(38 637)
	<b>913 979</b>	<b>1 839 588</b>	<b>521 006</b>	<b>1 004 729</b>
<b>10.3 Income tax payable reconciliation (Group)</b>				
Opening balances	1 263 710	3 874 247	684 936	68 247
Current tax charge	962 915	47 309	962 915	25 642
Tax on foreign dividends charge	938 595	1 831 869	532 214	992 881
Capital gains tax	4 774 225	-	4 774 225	-
Monetary gain	(688 814)	(3 126 198)	-	-
Tax paid	(4 457 848)	(1 363 517)	(4 161 507)	(401 834)
<b>Closing balances</b>	<b>2 792 783</b>	<b>1 263 710</b>	<b>2 792 783</b>	<b>684 936</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 10 INCOME TAX (CONTINUED)

Year ended 31 March 2025	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>10.3 Income tax payable reconciliation (Company)</b>				
Opening balance at 1 April	1 755 124	1 697 650	951 285	29 905
Tax on foreign dividends charge	938 595	1 831 869	532 214	992 881
Monetary gain	(1 025 868)	(763 071)	-	-
Tax paid	(425 787)	(1 011 324)	(241 435)	(71 501)
<b>Closing balance at 31 March</b>	<b>1 242 064</b>	<b>1 755 124</b>	<b>1 242 064</b>	<b>951 285</b>
<b>11 EARNINGS/(LOSS) PER SHARE</b>				
Net (loss)/profit attributable to equity holders of the parent	(136 904 148)	83 533 783	24 371 220	(10 087 651)
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
<b>11.1 Basic earnings per share</b>				
(Loss)/profit attributable to equity holders of the parent	(136 904 148)	83 533 783	24 371 220	(10 087 651)
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)	(2.85)	1.74	0.51	(0.21)
<b>11.2 Diluted earnings per share</b>				
Profit attributable to equity holders of the parent	(136 904 148)	83 533 783	24 371 220	(10 087 651)
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)	(2.85)	1.74	0.51	(0.21)
<b>11.3 Headline earnings per share</b>				
Headline earnings	40 249 257	358 409 868	26 457 448	(12 276 470)
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)	0.84	7.45	0.55	(0.26)
<b>Reconciliation of earnings used in calculating headline earnings per share</b>				
(Loss)/profit attributable to equity holders of the Company	(136 904 148)	83 533 783	24 371 220	(10 087 651)
<b>Adjusted for:</b>				
Fair value gain on investment properties	(84 468 807)	(3 851 749)	(140 635 512)	(64 061 491)
Profit on sale of investment property	-	(7 268 788)	-	(928 584)
Profit from sale of property, plant and equipment	405 174	-	192 888	-
Exchange loss	224 941 092	376 258 801	142 101 652	62 082 505
<b>Adjusted earnings</b>	<b>3 973 311</b>	<b>448 672 047</b>	<b>26 030 248</b>	<b>(12 995 221)</b>
Total income tax effect on adjustments	36 275 946	(90 262 179)	427 200	718 751
<b>Headline earnings</b>	<b>40 249 257</b>	<b>358 409 868</b>	<b>26 457 448</b>	<b>(12 276 470)</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

**12 PROPERTY, PLANT AND EQUIPMENT**

	INFLATION ADJUSTED					
	Land and Buildings ZWG	Plant and Machinery ZWG	Motor vehicles ZWG	Furniture & equipment ZWG	Work in Progress ZWG	Total ZWG
Opening net book amount	164 370 232	46 732 823	1 680 920	3 419 115	21 261 541	237 464 631
Additions	470 267	1 427 045	-	454 494	4 596 996	6 948 802
Revaluation surplus	(20 521 871)	18 814 311	3 061 039	(1 201 916)	-	151 563
Depreciation charge	(3 287 405)	(496 156)	(60 006)	(129 453)	-	(3 973 020)
<b>Net book amount</b>	<b>141 031 223</b>	<b>66 478 023</b>	<b>4 681 953</b>	<b>2 542 240</b>	<b>25 858 537</b>	<b>240 591 976</b>
<b>As at 31 March 2024</b>						
Cost or revalued amount	141 031 223	66 478 023	4 681 953	2 542 240	25 858 537	240 591 976
Accumulated depreciation	-	-	-	-	-	-
<b>Net book amount</b>	<b>141 031 223</b>	<b>66 478 023</b>	<b>4 681 953</b>	<b>2 542 240</b>	<b>25 858 537</b>	<b>240 591 976</b>
<b>Year ended 31 March 2025</b>						
Opening net book amount	141 031 223	66 478 023	4 681 953	2 542 240	25 858 537	240 591 976
Disposals	-	-	(548 538)	(1 711)	-	(550 249)
Additions	-	978 725	-	326 230	11 318 540	12 623 495
Revaluation surplus	91 039 401	36 759 517	3 924 633	1 375 890	-	133 099 441
Depreciation charge	(2 820 624)	(3 323 901)	(936 391)	(847 413)	-	(7 928 329)
<b>Net book amount</b>	<b>229 250 000</b>	<b>100 892 364</b>	<b>7 121 657</b>	<b>3 395 236</b>	<b>37 177 077</b>	<b>377 836 334</b>
<b>As at 31 March 2025</b>						
Cost or revalued amount	229 250 000	100 892 364	7 121 657	3 395 236	37 177 077	377 836 334
Accumulated depreciation	-	-	-	-	-	-
<b>Net book amount</b>	<b>229 250 000</b>	<b>100 892 364</b>	<b>7 121 657</b>	<b>3 395 236</b>	<b>37 177 077</b>	<b>377 836 334</b>

The Company engaged a professional independent valuer, Integrated Properties, who carried out valuation of the Company's property, plant and equipment. The valuation was carried out as at 31 March 2025.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

*HISTORICAL COST					
	Land and Buildings ZWG	Plant and Machinery ZWG	Motor vehicles ZWG	Furniture & equipment ZWG	Work in Progress ZWG
					Total ZWG
<b>Year ended 31 March 2023</b>					
Opening net book amount	2 895 478	247 035	15 501	24 980	285 050
Additions	254 887	179 772	-	37 214	152 771
Revaluation surplus	73 343 192	35 619 602	2 525 919	1 328 085	-
Depreciation charge	(54 028)	(15 035)	(3 782)	(12 374)	-
<b>Closing net book amount</b>	<b>76 439 529</b>	<b>36 031 374</b>	<b>2 537 638</b>	<b>1 377 905</b>	<b>437 821</b>
<b>As at 31 March 2024</b>					
Cost or revalued amount	76 439 529	36 031 374	2 537 638	1 377 905	437 821
Accumulated depreciation	-	-	-	-	-
<b>Net book amount</b>	<b>76 439 529</b>	<b>36 031 374</b>	<b>2 537 638</b>	<b>1 377 905</b>	<b>437 821</b>
<b>Year ended 31 March 2025</b>					
Opening net book amount	76 439 529	36 031 374	2 537 638	1 377 905	437 821
Disposals	-	-	(311 039)	(970)	-
Additions	-	669 871	-	200 087	7 472 876
Revaluation surplus	155 162 646	66 947 486	5 640 400	2 212 106	-
Depreciation charge	(2 352 175)	(2 756 367)	(745 342)	(393 891)	-
<b>Closing net book amount</b>	<b>229 250 000</b>	<b>100 892 364</b>	<b>7 121 657</b>	<b>3 395 237</b>	<b>7 910 697</b>
<b>As at 31 March 2025</b>					
Cost or revalued amount	229 250 000	100 892 364	7 121 657	3 395 237	7 910 697
Accumulated depreciation	-	-	-	-	-
<b>Net book amount</b>	<b>229 250 000</b>	<b>100 892 364</b>	<b>7 121 657</b>	<b>3 395 237</b>	<b>7 910 697</b>
<b>348 569 955</b>					

The Company engaged a professional independent valuer, Integrated Properties, who carried out valuation of the Company's property, plant and equipment. The valuation was carried out as at 31 March 2025.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 12.1 Impairment indicators assessment

**In assessing for impairment management considers financial indicators which include:**

- The Group's net asset value was positive at ZWG397.6 million.
- Cash flows – The Group had negative cashflows during the period.
- Reliance on short term borrowings – The Group's gearing has increased from 8% in prior year to 16% current year, largely due to taking opportunity of favourable terms which were granted by creditors and financiers.
- Forecast of negative cash flows – As per the Board approved budget, the Group does not anticipate to have any negative cash flows in the foreseeable future.
- Slow collections from debtors – The Group debtors collection days has increased to 20 days from 7 days achieved in prior period. This owes to increased business and decision to pass on the benefits to customers of the flexed term by creditors.

#### Operational indicators

- Level of production – The Group had a 14% improvement in production in the current year from 52 605 tonnes in the prior year to 60 212 tonnes in the year ended 31 March 2025. This was due to key improved raw materials supply and plant availability.
- Level of sales in the market – The Group had a 7% increase in sales volumes in the current year from 55 799 tonnes in the prior year to 59 613 tonnes in the financial year ended 31 March 2025. This followed improved finished product availability through increased production volumes.

Following this impairment indicators assessment, management concluded that there are no indicators of impairment of the property, plant and equipment and, as a result, no formal estimate of the recoverable amount was required or made.

### 12.2 Property provided as security

Property classified as property, plant and equipment with a carrying value of ZWG123.2 million (2024: ZWG33.7 million) was provided as security with respect to a bank overdraft facility.

### 12.3 Revaluation of property, plant and equipment

The Group carries property plant and equipment, including land and buildings, at fair value less accumulated depreciation and impairment. The revalued property consists of commercial land and buildings. The fair value of properties was determined by using market, income and cost approaches. The difference between the carrying amount as at 31 March 2024 and the fair value as at 31 March 2025 was deemed to be the revaluation in ZWG terms and was classified under other comprehensive income.

At date of revaluation, 31 March 2025, 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.

#### Description of valuation techniques used and key inputs to valuation of land and buildings occupied by the Group

The following methods and assumptions have been adopted in the valuation process:

##### Valuation techniques for commercial land

The comparative method is used to value commercial land. This method works on the basic assumption that the price paid for a property at a given point in time is evidence of the market value of that property and, all other factors being equal, is a good indicator of the market value of a similar property. It involves carrying out a valuation by directly comparing the subject property with similar properties which have sold in the past and using evidence of those transactions to assess the value of the subject property. Analysis should encompass every attribute of a transaction that was different from every other attribute in selected comparable transactions.

##### Valuation techniques for commercial buildings

In assessing the market values of commercial/industrial properties, both the direct comparison and the income capitalisation or investment approaches were used. Income producing real estate is typically purchased as an investment essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market oriented assumptions and data.

The Income Capitalisation Approach to value is employed to indicate the value of the freehold properties involving market-based decisions. This process considers a direct relationship whereby an overall capitalisation rate or all risks yield is applied to a single year's income. In brief a capitalisation rate is a rate used to convert a property's potential income into value. It is the rate at which the annual estimated potential income of a property is capitalised into perpetuity to help derive its market value. Hence, given the income produced by a property, its capital value can be estimated.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

### 12.3 Revaluation of property, plant and equipment (continued)

#### Valuation techniques for commercial buildings (continued)

The market determines the capitalisation rate; i.e. the capitalisation rate is determined by the rate at which similar assets have traded recently and is influenced by various factors which include the following:

- rates of return on comparable properties
- risk
- obsolescence
- inflation (perceptions)
- gross market rental growth rates
- rates of return on alternative investments
- property expenditure

In arriving at our opinion of values, we have also taken cognisance of the following important factors:

- the demand for property in the area with reference to rentals being achieved and vacancy rates.
- the general characteristic of the area in which the property is situated with reference to access to major arterial and national roads.
- the state of buildings surrounding the properties.
- the future prospects for the area.
- the state of the improvements.

#### Fairvalue 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	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Fair value measurement using significant unobservable inputs (Level 3)</b>				
Commercial buildings	217 700 000	136 401 591	217 700 000	73 930 248
Commercial land	11 550 000	4 629 632	11 550 000	2 509 281
<b>Total</b>	<b>229 250 000</b>	<b>141 031 223</b>	<b>229 250 000</b>	<b>76 439 529</b>
<b>Reconciliation of fair value:</b>				
<b>Opening balance</b>	<b>141 031 223</b>	<b>164 370 232</b>	<b>76 439 529</b>	<b>2 895 478</b>
Remeasurement recognised in profit or loss	(2 820 624)	(3 287 405)	(2 352 175)	(54 028)
Remeasurement recognised in other comprehensive income	91 039 401	(20 521 871)	155 162 646	73 343 192
Additions	-	470 267	-	254 887
<b>Closing balance</b>	<b>229 250 000</b>	<b>141 031 223</b>	<b>229 250 000</b>	<b>76 439 529</b>
<b>If land and buildings were measured using the cost model, the carrying amounts would be as follows:</b>				
Cost	99 783 076	99 783 076	303 499	303 499
Accumulated depreciation	(13 725 563)	(11 729 901)	(14 133)	(8 063)
<b>Net carrying amount</b>	<b>86 057 513</b>	<b>88 053 175</b>	<b>289 366</b>	<b>295 436</b>
<b>Investment property</b>				
Balance at 1 April	122 369 597	132 995 624	66 324 847	2 342 796
Additions	1 236 596	334 856	1 114 641	181 493
Disposal	-	(14 812 632)	-	(260 933)
Fair value adjustment	84 468 807	3 851 749	140 635 512	64 061 491
<b>Balance at 31 March</b>	<b>208 075 000</b>	<b>122 369 597</b>	<b>208 075 000</b>	<b>66 324 847</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## **12 PROPERTY, PLANT AND EQUIPMENT (CONTINUED)**

### **12.3 Revaluation of property, plant and equipment (continued)**

#### **Valuation techniques for commercial buildings (continued)**

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.

Three (3) properties have no title deeds. Of these, one (1) is held under lease with rural district councils. Transfer of ownership is in progress for these properties. Management assessed whether these properties were in the control of the Company to warrant their recognition as assets of the Company in its books. Management determined that, while the legal title has not yet passed to the Company pending completion of outstanding administrative tasks to give effect to the transfer, the Company is exposed to the risks and rewards associated with these assets. Further, the Company has the power to direct the operations of the properties and determine how best the properties can be used as the Company sees fit from time to time. There are no encumbrances on these properties due to debt or loan commitments. All future benefits associated with these assets are expected to accrue to the Company. Management has, therefore, determined that these are assets within the control of the Company and, consequently, have been recognised as the Company's investment property in the statement of financial position as at 31 March 2025.

## **13 INVESTMENT PROPERTY**

Investment property with a carrying value of ZWG175.4 million (2024: ZWG56.9 million) was provided as security with respect to a bank overdraft facility.

#### **Description of valuation techniques used and key inputs to valuation of investment properties;**

The following methods and assumptions have been adopted in the valuation process:

#### **Valuation techniques for land and residential buildings**

In determining the market value for residential properties, we considered comparable market evidence. This comprises of complete transactions as well as transactions where offers had been made but the transaction had not been finalised. We also looked at the prices that are being asked for in respect of properties that are currently on the market. We exercised professional judgement to adjust the market evidence to take cognisance of the fact that the properties in the transactions were not exactly comparable in terms of size, location, quality etc. to the subject properties.

This approach adopts the principle that the value of one property may be derived by comparing it with prices achieved from market transactions in similar properties. It is widely used in the valuation of straightforward residential, rural and commercial property assets.

#### **Valuation techniques for commercial buildings**

In assessing the market values of commercial/industrial properties, both the direct comparison and the income capitalisation or investment approaches were used. Income producing real estate is typically purchased as an investment essentially exchanging present money for the right to receive future income. The indication of value using the income capitalisation approach requires consideration of market oriented assumptions and data.

The Income Capitalisation Approach to value is employed to indicate the value of the freehold properties involving market-based decisions. This process considers a direct relationship whereby an overall capitalisation rate or all risks yield is applied to a single year's income. In brief a capitalisation rate is a rate used to convert a property's potential income into value. It is the rate at which the annual estimated potential income of a property is capitalised into perpetuity to help derive its market value. Hence, given the income produced by a property, its capital value can be estimated.

The market determines the capitalisation rate; i.e. the capitalisation rate is determined by the rate at which similar assets have traded recently and is influenced by various factors which include the following:

- rates of return on comparable properties
- risk
- obsolescence
- inflation (perceptions)
- gross market rental growth rates
- rates of return on alternative investments
- property expenditure



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 13 INVESTMENT PROPERTY (CONTINUED)

### Valuation techniques for commercial buildings (continued)

In arriving at our opinion of values, we have also taken cognisance of the following important factors:

- the demand for property in the area with reference to rentals being achieved and vacancy rates.
- the general characteristic of the area in which the property is situated with reference to access to major arterial and national roads.
- the state of buildings surrounding the properties.
- the future prospects for the area.
- the state of the improvements.

Income and expenses relating to investment property	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Rental income	9 536 863	7 622 759	7 345 675	632 896
Direct operating costs incurred in generating the rental income	(1 223 389)	(1 616 153)	(877 893)	(222 400)
<b>Net income</b>	<b>8 313 474</b>	<b>6 006 606</b>	<b>6 467 782</b>	<b>410 496</b>

There are no other operating costs incurred which did not generate the rental income recognised.

The Group has contractual arrangements which do not substantially transfer all the risks and rewards of ownership to third parties utilising those assets. Rental income arising from those arrangements is accounted for on a straight -line basis over the term of the arrangement and is included in profit or loss. Contingent rents are recognised as revenue in the period in which they are earned.

The Group did not award any rent concessions during the year under review nor in the 2024 financial year. Lease receivables have also been included in the allowance for expected credit losses as it appears on the face of the statement of profit and loss and other comprehensive income. Also straight lining of the lease income did not apply as none of lease agreements with lessees contain rent escalation clauses. Lease receivables were scoped into the expected credit loss model with an allowance quantified and recognised in the financial statements.

The Group leases residential and industrial properties all around the country for lease periods not exceeding 12 months, which are renewable only with the express agreement of the Group as the lessor. The Group retains the ownership rights over the properties by not putting any clauses in the contract which, explicitly or implicitly, cede the rights over the properties to the lessees. The contracts are kept as short-term without any automatic renewal clauses in the agreements.

### 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:

Fair value measurement using significant unobservable inputs (Level 3)	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Commercial	201 075 000	118 266 059	201 075 000	64 100 712
Residential	7 000 000	4 103 538	7 000 000	2 224 135
<b>Total</b>	<b>208 075 000</b>	<b>122 369 597</b>	<b>208 075 000</b>	<b>66 324 847</b>

The total value of land included in commercial properties is ZWG55 895 000 (2024 : ZWG93 876 000) and in residential properties is ZWG3 360 000 (2024 : ZWG1 873 000).

### Sensitivity analysis to significant changes in unobservable inputs within level 3 of the hierarchy.

The significant unobservable inputs used in the fair value measurement categorised within level 3 of the value hierarchy of the Group's portfolio of investment properties and land and buildings were as follows:

- Capitalisation rate;
- Rental per square metre
- Vacancy rate ; and
- Comparable transacted properties.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 14 INVESTMENTS

### 14.1 Investment in associate

The Group has a 33.33% (2024: 33.33%) equity stake in Tongaat Hulett (Botswana) (Proprietary) Limited (formerly Sugar Industries (Proprietary) Limited). Tongaat Hulett (Botswana) (Proprietary) Limited is a private entity that is not listed on any public exchange.

The following table illustrates summarised financial information of the Group's investment in Tongaat Hulett (Botswana) (Proprietary) Limited.

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Investment at cost	301 436	301 436	40	40
<b>Associate's statement of financial position:</b>				
Non-current assets	23 209 163	13 895 467	23 209 163	7 531 403
Current assets	249 857 333	104 515 122	249 857 333	56 647 645
Current liabilities	(118 506 228)	(37 135 073)	(118 506 228)	(20 127 369)
Non-current liabilities	(1 638 481)	(896 851)	(1 638 481)	(486 097)
<b>Net assets</b>	<b>152 921 787</b>	<b>80 378 665</b>	<b>152 921 787</b>	<b>43 565 582</b>
<b>Share of the associate's statement of financial position:</b>				
Revenue	872 204 451	213 336 740	872 204 451	115 629 429
Cost of sales	(785 347 837)	(183 071 312)	(785 347 837)	(99 225 437)
Administrative expenses	(50 683 882)	(10 829 247)	(50 683 882)	(5 869 499)
Finance costs	(101 014)	(35 516)	(101 014)	(19 250)
<b>Profit before tax</b>	<b>36 071 718</b>	<b>19 400 665</b>	<b>36 071 718</b>	<b>10 515 243</b>
Income tax expense	(8 972 211)	(4 155 293)	(8 972 211)	(2 252 187)
<b>Profit for the year</b>	<b>27 099 507</b>	<b>15 245 372</b>	<b>27 099 507</b>	<b>8 263 056</b>
<b>Total comprehensive income</b>	<b>27 099 507</b>	<b>15 245 372</b>	<b>27 099 507</b>	<b>8 263 056</b>
<b>Group's share of total comprehensive income for the year</b>				
Dividend received from associate	9 033 169	5 081 791	9 033 169	2 754 352
	4 692 976	19 922 861	2 661 068	1 749 597
<b>Reconciliation of investment in associate</b>				
<b>Opening balance</b>	<b>26 792 888</b>	<b>30 189 198</b>	<b>14 521 860</b>	<b>531 800</b>
Share of profits	9 033 169	5 081 791	9 033 169	2 754 352
Dividends received	(4 692 976)	(19 922 861)	(2 661 068)	(1 749 597)
Effects of changes in exchange rates	30 079 968	23 957 938	30 079 968	12 985 305
Monetary loss	(10 239 120)	(12 513 178)	-	-
<b>Closing balance</b>	<b>50 973 929</b>	<b>26 792 888</b>	<b>50 973 929</b>	<b>14 521 860</b>



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## 14 INVESTMENTS (CONTINUED)

### 14.2 Investments in subsidiaries

Subsidiary	Ownership
Star Africa Operations (Private) Limited	100%
Red Star Holdings Limited **	100%
Silver Star Properties (Private) Limited - 14.2 (a)	100%
Star Africa International Limited **	100%
Namibstar Trading (Proprietary) Limited **	100%

\*\* subsidiaries are dormant

Investment at cost	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Star Africa Operations (Private) Limited	1 236 789	1 236 789	7 444	7 444
Silver Star Properties (Private) Limited - 14.2 (a)	56 404 941	56 404 941	7 435	7 435
Star Africa International Limited **	6	6	-	-
Namibstar Trading (Proprietary) Limited **	40	40	-	-
	<b>57 641 776</b>	<b>57 641 776</b>	<b>14 879</b>	<b>14 879</b>
<b>Reconciliation of carrying amounts of investments in subsidiaries</b>				
Opening carrying amount of investments	57 641 776	57 641 776	14 879	14 879
Movement for the year	-	-	-	-
<b>Closing carrying amount of investments</b>	<b>57 641 776</b>	<b>57 641 776</b>	<b>14 879</b>	<b>14 879</b>

### 14.2a Investment in Silverstar Properties (Private) Limited

Star Africa Corporation Limited holds 100% (2024: 100%) equity in Silverstar Properties (Private) Limited. Silverstar Properties, in turn, holds equity in 3 property companies, namely Safariland Investments (Private) Limited (70% equity) (2024: 70%), Charring Cross Properties (Private) Limited (100% equity) (2024: 100%) and Quality Properties (Private) Limited (100%) (2024: 100%) equity.

### 14.3 Material partly-owned subsidiaries

Financial information of subsidiaries that have material non controlling interest are provided below:

Proportion of equity interest held by non controlling interest

Name	Proportion of equity interest held by non controlling interest
Safariland Investments (Private) Limited	30%

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Accumulated balances of material non controlling interest	17 810 811	10 315 941	17 590 118	5 589 527
Profit allocated to material non controlling interest	7 494 870	(991 206)	12 000 591	5 390 344
Summarised statement of profit or loss - Safariland Investments (Private) limited				
Revenue	1 945 098	-	1 438 927	-
Other income	-	-	-	-
Administrative expenses	-	-	-	-
Fair value adjustment- investment property	24 565 131	2 815 478	41 046 047	18 919 655
Loss on net monetary position	(299 071)	(5 978 723)	-	-
<b>Profit before income tax</b>	<b>26 211 158</b>	<b>(3 163 245)</b>	<b>42 484 974</b>	<b>18 919 655</b>
Income tax	(1 228 257)	(140 774)	(2 483 004)	(945 983)
<b>Profit for the year</b>	<b>24 982 901</b>	<b>(3 304 019)</b>	<b>40 001 970</b>	<b>17 973 672</b>
Attributable to non controlling interest	7 494 870	(991 206)	12 000 591	5 390 344



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## 14 INVESTMENTS (CONTINUED)

### 14.3 Material partly-owned subsidiaries (continued)

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Summarised statement of financial position - Safariland Investments (Private) limited</b>				
Investment property	60 550 000	35 984 869	60 550 000	19 503 953
Trade and other receivables	1 547 829	200 926	1 547 829	108 903
Cash and cash equivalents	-	-	-	-
Trade and other payables	(31)	(80)	(31)	(44)
Deferred tax	(2 728 429)	(1 799 243)	(3 021 641)	(981 056)
<b>Total equity</b>	<b>59 369 369</b>	<b>34 386 472</b>	<b>59 076 157</b>	<b>18 631 756</b>
<b>Attributable to:</b>				
Equity holders of the parent	41 558 558	24 070 531	41 486 039	13 042 229
Non controlling interest	17 810 811	10 315 941	17 590 118	5 589 527
	<b>59 369 369</b>	<b>34 386 472</b>	<b>59 076 157</b>	<b>18 631 756</b>
<b>Summarised cash flow information - Safariland Investments (Private) limited</b>				
Profit before income tax	26 211 158	(3 163 245)	42 484 974	18 919 655
Loss/(gain) on net monetary position	(299 124)	5 978 723	-	-
Valuation gain on investment property	(24 565 131)	(2 815 478)	(41 046 047)	(18 919 655)
Increase in accounts receivable	(1 346 903)	-	(1 438 927)	-
Cash generated from / (used in) operations	-	-	-	-
Net increase/(decrease) in cash and cash equivalents	-	-	-	-
<b>15 INVENTORIES</b>				
Raw materials	18 374 452	68 368 297	10 342 879	3 855 518
Work in progress	32 783 501	38 161 987	18 589 301	2 155 084
Finished products	44 114 076	76 757 537	24 985 923	4 326 826
Consumables	26 058 605	35 442 977	14 543 811	1 993 599
	<b>121 330 634</b>	<b>218 730 798</b>	<b>68 461 914</b>	<b>12 331 027</b>

The amount of inventory expensed during the year is ZWG 1 227 660 456 (2024: ZWG 977 549 314).

## 16 RECEIVABLES AND PREPAYMENTS

### 16.1 Prepayments and deposits

Capital expenditure	62 080	4 492 215	55 957	2 434 800
Production inputs and spares	7 430 446	12 110 106	6 813 303	6 563 730
Raw materials	101 531	1 672 787	91 518	906 658
Other services	1 081 683	2 047 438	986 593	1 109 720
	<b>8 675 740</b>	<b>20 322 546</b>	<b>7 947 371</b>	<b>11 014 908</b>



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## 16 RECEIVABLES AND PREPAYMENTS (CONTINUED)

### 16.2 Trade and other receivables

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Trade receivables	82 192 277	27 739 487	-	-
Allowance for expected credit losses	(13 009 722)	(4 416 876)	-	-
Receivables for disposed assets	-	90	-	-
Value added tax	-	2 439 920	-	-
Other receivables	5 457 823	1 255 281	-	-
Amounts owed by related parties (note 25.3)	4 013 334	1 195 359	6 970 269	4 217 549
	<b>78 653 712</b>	<b>28 213 261</b>	<b>6 970 269</b>	<b>4 217 549</b>

	*HISTORICAL COST			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Trade receivables	82 192 277	15 034 921	-	-
Allowance for expected credit losses	(13 009 722)	(2 393 966)	-	-
Receivables for disposed assets	-	49	-	-
Value added tax	-	1 322 447	-	-
Other receivables	5 457 823	680 368	-	-
Amounts owed by related parties (note 25.3)	4 013 334	647 889	6 970 269	2 285 930
	<b>78 653 712</b>	<b>15 291 708</b>	<b>6 970 269</b>	<b>2 285 930</b>

As at 31 March 2025, the Group did not hold any security on trade and other receivables.

Reconciliation of the allowance for credit losses

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Opening balance	4 416 876	3 890 536	-	266 179
Charge for the year	8 592 846	526 340	-	(266 179)
<b>Closing balance</b>	<b>13 009 722</b>	<b>4 416 876</b>	<b>-</b>	<b>-</b>

	*HISTORICAL COST			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Opening balance	2 393 966	68 535	-	1 602
Charge for the year	10 615 756	2 325 431	-	(1 602)
<b>Closing balance</b>	<b>13 009 722</b>	<b>2 393 966</b>	<b>-</b>	<b>-</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 17 NOTES TO THE STATEMENTS OF CASH FLOWS

### 17.1 Cash utilised/generated from operations

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
(Loss)/profit before tax	(123 060 177)	89 644 494	4 230 122	(11 486 945)
Depreciation	7 928 329	(3 973 020)	-	-
Fair value gain on investment property	(84 468 807)	(3 851 749)	-	-
Allowance for expected credit losses (Note 16)	8 592 846	526 340	-	(266 179)
Loss/(gain) on net monetary position	37 829 892	(596 315 108)	20 361 321	32 372 692
Unrealised exchange (gain)/loss	79 315 759	43 725 819	(3 704)	(100 481)
Profit on disposal of investment property	-	(7 268 788)	-	-
Loss on disposal of property, plant and equipment	405 174	-	-	-
Dividends received from associate	-	-	(4 692 976)	(19 922 861)
Share of profit of an associate	(9 033 169)	(5 081 791)	-	-
	(82 490 153)	(482 593 803)	19 894 763	596 226
*HISTORICAL COST				
	GROUP		COMPANY	
	2024 ZWG	**2024 ZWG	2024 ZWG	**2024 ZWG
	22 654 035	(5 456 034)	5 023 257	2 131 667
Depreciation	6 247 775	85 219	-	-
Fair value gain on investment property	(140 635 512)	(64 061 491)	-	-
Allowance for expected credit losses (Note 16)	10 615 756	2 325 431	-	(1 602)
Unrealised exchange (gain)/loss	79 315 759	788 674	(3 704)	(54 461)
Profit on disposal of investment property	-	(928 584)	-	-
Loss on disposal of property, plant and equipment	192 888	-	-	-
Dividends received from associate	-	-	(2 661 068)	(1 749 597)
Share of profit of an associate	(9 033 169)	(2 754 352)	-	-
	(30 642 468)	(70 001 137)	2 358 485	326 007



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## 17 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

### 17.2 Net finance costs

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Finance income	(967)	(463)	(697)	(463)
Finance costs	14 463 014	10 268 388	-	-
	<b>14 462 047</b>	<b>10 267 925</b>	<b>(697)</b>	<b>(463)</b>

	*HISTORICAL COST			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Finance income	(936)	(95)	(666)	(95)
Finance costs	11 907 000	818 588	-	-
	<b>11 906 064</b>	<b>818 493</b>	<b>(666)</b>	<b>(95)</b>

### 17.3 Working capital changes

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Decrease/(increase) in inventories	97 400 164	(180 510 722)	-	-
(Increase)/decrease in trade and other receivables	(50 440 451)	31 994 974	(6 725 612)	9 671 560
Decrease in prepayments	11 646 806	18 385 498	-	-
Increase/(decrease) in trade and other payables	115 705 359	(19 143 688)	-	(3 633)
	<b>174 311 878</b>	<b>(149 273 938)</b>	<b>(6 725 612)</b>	<b>9 667 927</b>

	*HISTORICAL COST			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
(Increase)/decrease in inventories	(56 130 887)	(11 658 305)	-	-
(Increase)/decrease in trade and other receivables	(63 362 004)	(14 231 105)	(6 725 612)	(2 041 265)
(Increase)/ decrease in prepayments	3 067 537	(10 345 559)	-	-
Increase/(decrease) in trade and other payables	195 323 696	90 825 295	-	-
	<b>78 898 342</b>	<b>54 590 326</b>	<b>(6 725 612)</b>	<b>(2 041 265)</b>



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 17 NOTES TO THE STATEMENTS OF CASH FLOWS (CONTINUED)

### 17.4 Cash (utilised in)/generated from operations

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Cash (utilised in)/generated from operations (17.1)	(82 490 153)	(482 593 803)	19 894 763	596 226
Net finance cost (17.2)	14 462 047	10 267 925	(697)	(463)
Working capital changes (17.3)	174 311 878	(149 273 938)	(6 725 612)	9 667 927
	<b>106 283 772</b>	<b>(621 599 816)</b>	<b>13 168 454</b>	<b>10 263 690</b>
*HISTORICAL COST				
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
	( 30 642 468)	(70 001 137)	2 358 485	326 007
Net finance cost (17.2)	11 906 064	818 493	(666)	(95)
Working capital changes (17.3)	78 898 342	54 590 326	(6 725 612)	(2 041 265)
	<b>60 161 938</b>	<b>(14 592 318)</b>	<b>(4 367 793)</b>	<b>(1 715 353)</b>

### 17.5 Cash and cash equivalents

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Cash and cash equivalents comprise the following at 31 March:</b>				
Cash and bank balances	3 506 768	2 389 721	182 443	156 752
Bank overdraft	(73 379 496)	(34 415 839)	-	-
	<b>(69 872 728)</b>	<b>(32 026 118)</b>	<b>182 443</b>	<b>156 752</b>
*HISTORICAL COST				
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
	( 30 642 468)	(70 001 137)	2 358 485	326 007
<b>Cash and cash equivalents comprise the following at 31 March:</b>				
Cash and bank balances	3 506 768	1 295 239	182 443	84 960
Bank overdraft	(73 379 496)	(18 653 533)	-	-
	<b>(69 872 728)</b>	<b>(17 358 294)</b>	<b>182 443</b>	<b>84 960</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

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## 18 SHARE CAPITAL

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Issued and fully paid share capital (4 808 662 335 ordinary shares of ZWG 0.0000004)	1 460 034	1 460 034	192	192
Unissued share capital	203 019	203 019	208	208

The unissued share capital is under the control of Directors and is subject to the limitations of the Companies and Other Business Entities (Chapter 24:31) and the Zimbabwe Stock Exchange regulations.

## 19 BORROWINGS

### 19.1 Long term borrowings

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Non-current creditors less current portion of long term loans	304 (304)	560 (560)	304 (304)	304 (304)
-	-	-	-	-
<b>19.2 Short term borrowings</b>				
Non-current creditors	304	560	304	304
<b>Total interest bearing borrowings</b>	<b>304</b>	<b>560</b>	<b>304</b>	<b>304</b>
<b>19.3 Reconciliation of interest bearing borrowings</b>				
Opening balance	561	17 244	304	304
Effects of inflation	(257)	(16 683)	-	-
<b>Closing balance</b>	<b>304</b>	<b>561</b>	<b>304</b>	<b>304</b>

The Secondary Scheme of Arrangement with creditors provided for the conversion of amounts owed to concurrent creditors amounting to ZWG 3 670 (historical cost) into a five-year loan. The loan was to be paid at the end of five years and attracted interest at a nominal rate of 7% (2024: 7%) per annum. The interest was payable quarterly but the interest for the first two quarters was capitalised. Noncurrent creditors had an option to convert their debt to equity at a conversion price of ZWG 0.000005. The Scheme of Arrangement, as per its terms of reference, expired in February 2022. As at 31 March 2025, the balance remaining represents amounts owed to creditors which the Group has failed to locate in the last five years. Efforts to trace their whereabouts continue.

### 19.4 Borrowing powers

In terms of the Company's Articles of Association, at any one time, the amount owing in respect of monies borrowed or secured by the directors, taken together with the aggregate of all similar borrowings of its subsidiary companies (but excluding inter-company) shall not without the sanction of the Company at a General Meeting, by ordinary resolution, exceed an amount twice the consolidated shareholders' equity.



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## 19 BORROWINGS (CONTINUED)

### 19.4 Borrowing powers (continued)

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Authorised borrowings per Articles of Association	795 173 285	1 200 108 525	655 783 749	202 756 078
Bank overdraft	73 379 496	34 412 711	73 379 496	18 651 837
Loans and borrowings (Note 19.2)	304	560	304	304
<b>Total borrowings</b>	<b>73 379 800</b>	<b>34 413 271</b>	<b>73 379 800</b>	<b>18 652 141</b>
Borrowing limit headroom	721 793 485	1 165 695 254	582 403 949	184 103 937

## 20 COMMITMENTS AND CONTIGENCIES

### 20.1 Operating lease commitments - Group as lessor

The Group has entered into commercial property leases on its investment property portfolio consisting of the Group's surplus offices, residential, and industrial properties. The non cancellable leases have terms of one year renewable.

Future minimum rentals receivable under non-cancellable operating leases as at 31 March 2025 are as follows:

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Within one year	791 819	378 928	791 819	205 381
<b>Capital expenditure commitments</b>				
Authorised but not contracted for	89 826 341	15 462 877	48 686 263	8 380 946

### 20.2 CONTINGENCIES

#### Labour cases

The Group is involved in a legal dispute with two employees who were retrenched effective 25 July 2022. They disputed the retrenchment alleging failure to follow proper retrenchment procedures and unfair labour practices by the company. The employees have instituted an application for leave to appeal to the Supreme Court against the decision of the Labour Court dismissing their claim for unlawful dismissal. Parties have duly filed all the necessary pleadings.

Another employee lodged a claim with the provincial labour officer of nonpayment of contractual benefits. The Labour Officer presiding over the matter reserved judgement based on a preliminary point. We now await the handing down of the judgment. Judgement has been pending since 2022.

The Company terminated contracts of employment for 75 employees on 3 months' notice, where 4 employees are contesting the termination. The Group instituted a composite application for condonation and review of the Labour Officer's decision on the ground that the Designated Agent had no jurisdiction at the time of handing down the determination. The matter was heard on the 7th of May 2025 and judgement was reserved.

The Directors, with guidance from the Group's legal advisors, are of the opinion that the above claims can be successfully resisted by the Group. This means that it is not probable that there will be an outflow of resources embodying the Group's economic benefits. It is on this premise that the amount has not been recognised in the financial statements of the Group.

#### Tenant eviction

Star Africa Corporation succeeded to evict a tenant pursuant to an Arbitral Award handed down on to that effect. The tenant was, however, granted leave by the High Court to file an application for rescission of judgment (Default judgement on defaulted rental payment). The amount will not materially impact the Group's consolidated financial statements. It is on this premise that the amount has not been recognised in the financial statements of the Group.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

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## 21 DEFERRED TAX

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Opening balance	43 533 991	40 606 102	25 570	17 851
Charge/ (credit) to profit and loss	(326 634)	4 243 449	(24 616)	7 719
Charge to other comprehensive income	24 728 567	(1 315 560)	-	-
<b>Closing balance</b>	<b>67 935 924</b>	<b>43 533 991</b>	<b>954</b>	<b>25 570</b>
Analysis of deferred taxation				
Property, plant and equipment	74 490 185	49 836 370	-	-
Investment property	10 403 750	6 118 480	-	-
Provisions	(1 706 501)	(1 161 460)	-	-
Unrealised exchange loss	(15 251 510)	(11 259 399)	954	25 570
<b>Net liability at 31 March</b>	<b>67 935 924</b>	<b>43 533 991</b>	<b>954</b>	<b>25 570</b>
*HISTORICAL COST				
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Opening balance at 1 April	20 303 522	538 544	12 162	314
Charge/ (credit) to profit and loss	(19 987 130)	(2 308 029)	(11 208)	11 848
Charge to other comprehensive income	54 671 610	22 073 007	-	-
Other adjustments	-	-	-	-
<b>54 988 002</b>	<b>20 303 522</b>	<b>954</b>	<b>12 162</b>	
INFLATION ADJUSTED				
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Analysis of deferred taxation</b>				
Property, plant and equipment	61 545 821	23 719 438	-	-
Investment property	10 403 750	3 316 242	-	-
Provisions	(1 706 501)	(629 516)	-	-
Unrealised exchange loss	(15 255 068)	(6 102 642)	954	12 162
<b>Net liability at 31 March</b>	<b>54 988 002</b>	<b>20 303 522</b>	<b>954</b>	<b>12 162</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 22 PAYABLES AND PROVISIONS

	INFLATION ADJUSTED			
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Trade payables	123 994 615	81 315 483	-	-
Provisions (22.1)	7 466 959	5 342 478	-	-
Contract liabilities (3)	736 140	16 119 515	-	-
Statutory obligations	13 560 142	4 286 365	-	-
Other payables	143 788 295	66 776 951	66	122
	<b>289 546 151</b>	<b>173 840 792</b>	<b>66</b>	<b>122</b>
*HISTORICAL COST				
	GROUP		COMPANY	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
	123 994 615	44 073 341	-	-
Trade payables	7 466 959	2 895 645	-	-
Provisions (22.1)	736 140	8 736 847	-	-
Contract liabilities (3)	13 560 142	2 323 228	-	-
Statutory obligations	143 788 295	36 193 394	66	66
	<b>289 546 151</b>	<b>94 222 455</b>	<b>66</b>	<b>66</b>
INFLATION ADJUSTED				
	GROUP		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
	5 095 720	4 026 849	5 095 720	2 182 569
<b>22.1 Provisions</b>	1 531 470	483 676	1 531 470	262 154
Leave pay liability (22.2)	839 769	831 953	839 769	450 922
<b>Closing balance</b>	<b>7 466 959</b>	<b>5 342 478</b>	<b>7 466 959</b>	<b>2 895 645</b>
<b>22.2 Leave pay liability</b>				
Opening balance	4 026 849	7 877 818	2 182 569	138 772
Movement during the year	2 913 151	22 519 064	2 913 151	2 043 797
Effects of inflation	(1 844 280)	(26 370 033)	-	-
<b>Closing balance</b>	<b>5 095 720</b>	<b>4 026 849</b>	<b>5 095 720</b>	<b>2 182 569</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 23 SEGMENT INFORMATION

For management purposes, the Group is organised into business units based on their products and services, and has two reportable operating segments as follows:

- The food segment is a manufacturer of sugar products; and
- The property segment manages offices, manufacturing and residential premises on behalf of the Group.

Management monitors the operating results of its business units separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on operating profit or loss.

Transfer prices for all transactions between operating segments are on an arm's length basis in a manner similar to transactions with third parties.

	INFLATION ADJUSTED			
	Food ZWG	Properties ZWG	Eliminations ZWG	Consolidated ZWG
<b>Year Ended 31 March 2025</b>				
<b>Revenue</b>				
External customers				
Refined sugar	1 522 763 454	-	-	1 522 763 454
Sugar specialties	177 891 159	-	-	177 891 159
Rental income	-	9 536 863	-	9 536 863
Total revenue from external customers	1 700 654 613	9 536 863	-	1 710 191 476
Inter-segment revenue	108 270 069	-	(108 270 069)	-
<b>Total revenue</b>	<b>1 808 924 682</b>	<b>9 536 863</b>	<b>(108 270 069)</b>	<b>1 710 191 476</b>
<b>Results</b>				
Selling and distribution expenses	30 348 693	-	-	30 348 693
Administrative expenses	264 671 643	(12 515 392)	-	252 156 251
Depreciation	685 615	3 287 405	-	3 973 020
Finance cost	14 463 014	-	-	14 463 014
Finance income	(967)	-	-	(967)
Expected credit loss	(8 425 825)	(167 021)	-	(8 592 846)
Fair value adjustment on investment property	-	84 468 807	-	84 468 807
Gain/(loss) on net monetary position	79 626 752	(117 456 643)	-	(37 829 891)
Share of profit of associate	-	-	9 033 169	9 033 169
Segment profit/(loss) before tax	(91 672 303)	(39 958 188)	8 570 314	(123 060 177)
Income tax expense	5 985 653	(11 420 775)	(913 979)	(6 349 101)
<b>Assets and liabilities</b>				
Capital expenditure	12 623 495	-	-	12 623 495
Operating assets	352 752 919	237 250 269	-	590 003 188
Operating liabilities	350 152 251	15 566 483	-	365 718 734



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 23 SEGMENT INFORMATION (CONTINUED)

	INFLATION ADJUSTED			
	Food ZWG	Properties ZWG	Eliminations ZWG	Consolidated ZWG
<b>Year Ended 31 March 2024</b>				
<b>Revenue</b>				
External customers				
Refined sugar	1 235 163 290	-	-	1 235 163 290
Sugar specialties	163 030 595	-	-	163 030 595
Rentals	-	7 622 759	-	7 622 759
<b>Total revenue from external customers</b>	<b>1 398 193 885</b>	<b>7 622 759</b>	-	<b>1 405 816 644</b>
Inter-segment revenue	90 481 220	-	(90 481 220)	-
<b>Total revenue</b>	<b>1 488 675 105</b>	<b>7 622 759</b>	<b>(90 481 220)</b>	<b>1 405 816 644</b>
<b>Results</b>				
Selling and distribution expenses	(105 910 477)	-	-	(105 910 477)
Administrative expenses	(282 251 058)	(10 200 229)	-	(292 451 287)
Depreciation	( 556 162)	(3 416 858)	-	(3 973 020)
Finance cost	(10 268 388)	-	-	(10 268 388)
Finance income	463	-	-	463
Expected credit loss	(1 648 725)	1 122 385	-	( 526 340)
Fair value adjustment on investment property	-	3 851 749	-	3 851 749
Gain/(loss) on net monetary position	671 862 837	(75 547 729)	-	596 315 108
Share of profit of associate	-	-	5 081 791	5 081 791
Segment profit/(loss) before tax	164 670 613	(80 107 910)	5 081 791	89 644 494
Income tax expense	(4 878 359)	(391 689)	(1 831 869)	(7 101 917)
<b>Assets and liabilities</b>				
Capital expenditure	6 478 534	470 267	-	6 948 801
Operating assets	390 819 080	268 591 707	-	659 410 787
Operating liabilities	391 577 367	42 077 291	-	433 654 658



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 23 SEGMENT INFORMATION (CONTINUED)

	*HISTORICAL COST			
	Food ZWG	Properties ZWG	Eliminations ZWG	Consolidated ZWG
<b>Year Ended 31 March 2025</b>				
<b>Revenue</b>				
External customers				
Refined sugar	1 046 665 749	-	-	1 046 665 749
Sugar specialties	133 200 810	-	-	133 200 810
Rentals	-	7 345 675	-	7 345 675
<b>Total revenue from external customers</b>	<b>1 179 866 559</b>	<b>7 345 675</b>	<b>-</b>	<b>1 187 212 234</b>
Inter-segment revenue	78 945 092	-	(78 945 092)	-
<b>Total revenue</b>	<b>1 258 811 651</b>	<b>7 345 675</b>	<b>(78 945 092)</b>	<b>1 187 212 234</b>
<b>Results</b>				
Selling and distribution expenses	(23 043 688)	-	-	(23 043 688)
Administrative expenses	(172 910 426)	(11 126 147)	-	(184 036 573)
Depreciation	(31 191)	(54 028)	-	(85 219)
Finance cost	(11 907 000)	-	-	(11 907 000)
Finance income	936	-	-	936
Expected credit loss	(9 651 240)	(964 516)	-	(10 615 756)
Fair value adjustment on investment property	-	140 635 512	-	140 635 512
Share of profit of associate	-	-	9 033 169	9 033 169
Segment profit/(loss) before tax	(124 647 072)	135 905 746	11 395 361	22 654 035
Income tax expense	22 048 331	(7 809 550)	(521 005)	13 717 776
<b>Assets and liabilities</b>				
Capital expenditure	8 342 834	-	-	8 342 834
Operating assets	269 889 451	237 250 269	-	507 139 720
Operating liabilities	350 152 251	15 566 483	-	365 718 734
<b>*HISTORICAL COST</b>				
<b>Year ended 31 March 2024</b>				
<b>Revenue</b>				
External customer				
Refined sugar	135 865 614	-	-	135 865 614
Sugar specialties	14 632 675	-	-	14 632 675
Rentals	-	632 896	-	632 896
<b>Total revenue from external customers</b>	<b>150 498 289</b>	<b>632 896</b>	<b>-</b>	<b>151 131 185</b>
Inter-segment	9 187 365	-	(9 187 365)	-
<b>Total revenue</b>	<b>159 685 654</b>	<b>632 896</b>	<b>(9 187 365)</b>	<b>151 131 185</b>
<b>Results</b>				
Selling and distribution expenses	(5 208 853)	-	-	(5 208 853)
Administrative expenses	(25 201 116)	(1 729 795)	-	(26 930 911)
Depreciation	(31 191)	(54 028)	-	(85 219)
Finance income	(818 588)	-	-	(818 588)
Finance cost	95	-	-	95
Expected credit loss	911 660	(911 660)	-	-
Fair value adjustment on Investment Property	-	64 061 491	-	64 061 491
Share of profit of associate	-	-	2 754 352	2 754 352
Segment profit/(loss) before tax	(73 231 278)	65 020 892	2 754 352	(5 456 034)
Income tax expense	2 128 551	(376 943)	(992 881)	758 727



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 23 SEGMENT INFORMATION (CONTINUED)

	*HISTORICAL COST			
	Food ZWG	Properties ZWG	Eliminations ZWG	Consolidated ZWG
<b>Assets and liabilities</b>				
Capital expenditure	369 757	254 887	-	624 644
Operating assets	92 025 997	145 577 859	-	237 603 856
Operating liabilities	111 058 678	22 806 072	-	133 864 750

### Adjustments and eliminations

Exchange losses, share of profit from associates and fair value gains and losses on financial assets are not allocated to individual segments as the underlying instruments are managed on a group basis.

Deferred taxes and certain financial assets and liabilities are not allocated to segments as they are also managed on a group basis.

Capital expenditure consists of additions of property, plant and equipment, intangible assets and investment properties including assets from the acquisition of subsidiaries.

Inter-segment revenues are eliminated on consolidation.

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
<b>Segment (loss)/profit</b>				
Food	(91 672 303)	164 670 613	(124 647 072)	(73 231 278)
Properties	(39 958 188)	(80 107 910)	135 905 746	65 020 892
	<b>(131 630 491)</b>	<b>84 562 703</b>	<b>11 258 674</b>	<b>(8 210 386)</b>
Fair value adjustment on investment property	84 468 807	3 851 749	140 635 512	64 061 491
Exchange loss	(224 941 092)	(376 258 801)	(142 101 652)	(62 082 505)
Share of profit from associate	9 033 169	5 081 791	9 033 169	2 754 352
(Loss)/gain on net monetary position	(37 829 892)	596 315 108	-	-
Finance cost	(14 463 014)	(10 268 388)	(11 907 000)	(818 588)
Finance income	967	463	936	95
	<b>(315 361 546)</b>	<b>303 284 625</b>	<b>6 919 639</b>	<b>(4 295 541)</b>
<b>Reconciliation of assets</b>				
Segment operating assets	590 003 188	659 410 787	507 139 720	237 603 856
Investment in associate	50 973 929	26 792 888	50 973 929	14 521 860
	<b>640 977 117</b>	<b>686 203 675</b>	<b>558 113 649</b>	<b>252 125 716</b>
<b>Reconciliation of liabilities</b>				
Segment operating liabilities	365 718 734	433 654 658	365 718 734	133 864 750
Deferred tax liabilities	67 935 924	43 533 991	54 988 002	20 303 522
	<b>433 654 658</b>	<b>477 188 649</b>	<b>420 706 736</b>	<b>154 168 272</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 24 PENSION AND RETIREMENT BENEFITS

### 24.1 Star Africa Corporation Limited Pension Fund

Retirement benefits are provided for eligible employees through an independently administered defined contribution plan, including the National Social Security Authority (NSSA).

### 24.2 Pension cost charged to the profit or loss during the year

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Group pension scheme -				
defined contribution plan (note 25.5)	6 073 727	7 396 694	4 403 778	630 086
National Social Security -				
defined contribution plan (note 25.5)	1 904 182	1 959 545	1 389 993	146 653
	7 977 909	9 356 239	5 793 771	776 739

## 25 RELATED PARTY TRANSACTIONS

### 25.1 Parent Company

Star Africa Corporation Limited is listed on the Zimbabwe Stock Exchange, therefore has multiple shareholders. Takura III (Private) Limited and Investors in Africa - Takura Ventures (Private) Limited are the major shareholders with 59.3% (2024: 57.4%) shareholding.

### 25.2 Parties with significant influence over the Group

The entities and individuals known to be significant shareholders (owning more than 5% of a class of equity) of Star Africa Corporation Limited are shown on the next page.

Takura Group entities are considered to be related parties of the Group by virtue of its 59.3% equity shareholding in Star Africa Corporation Limited. Details of the transactions are shown on the next page.

### 25.3 Related party transactions and balances

Balances and transactions between the Company and its subsidiaries, which are related parties, have been eliminated on consolidation and are not disclosed in this note. Details of transactions between Group and other related parties are shown on the next page.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 25 RELATED PARTY TRANSACTIONS (CONTINUED)

### 25.3 Related party transactions and balances (continued)

		INFLATION ADJUSTED		
Related party (Entities under common control as Star Africa) 2025	Transaction type	Amount realised / (expensed) ZWG	Amounts owed by related parties ZWG	Amounts owed to related parties ZWG
Amalgamated Brands (Pvt) Ltd	Management fees	(26 044 893)	-	(2 556 458)
Cailo Marketing Services (Pvt) Limited	Marketing services supply	(7 307 515)	-	(1 616 389)
Cailogistics (Pvt) Ltd	Cartage services supply	(17 827 950)	-	(11 948 705)
Cairns Foods (Pvt) Ltd	Sale of goods	423 447	-	-
Cashel Valley (Pvt) Ltd	Sale of goods	2 742 504	770 282	-
Charhons Biscuits (Pvt) Ltd	Sale of goods	8 880 077	2 790 778	-
Intro-Wise Catering (Pvt) Ltd	Catering services supply	(8 619 582)	-	(1 281 938)
Lobel's Holdings (Pvt) Ltd	Sale of goods	3 802 865	381 846	-
MC Meats (Pvt) Ltd	Sale of goods	781 831	70 428	-
Takura Management Services (Pvt) Ltd	Management services	(24 899 311)	-	(87 836 718)
Apex Grain (Pvt) Ltd	Commodities	(1 385 718)	-	(38 270 708)
		<b>(68 068 527)</b>	<b>4 013 334</b>	<b>(143 510 916)</b>
Related party (Entities under common control as Star Africa) 2024	Transaction type	Amount realised / (expensed) ZWG	Amounts owed by related parties ZWG	Amounts owed to related parties ZWG
Amalgamated Brands (Pvt) Ltd	Management fees	(14 390 851)	-	416 730
Cailo Marketing Services (Pvt) Limited	Marketing services supply	(5 677 488)	-	483 700
Cailogistics (Pvt) Ltd	Cartage services supply	(2 077 372)	-	121 783
Cairns Foods (Pvt) Ltd	Sale of goods	173 142	39 544	-
Cashel Valley (Pvt) Ltd	Sale of goods	4 121 312	565 543	-
Charhons Biscuits (Pvt) Ltd	Sale of goods	18 174 306	-	-
Intro-Wise Catering (Pvt) Ltd	Catering services supply	(8 122 712)	-	550 529
Lobel's Holdings (Pvt) Ltd	Sale of goods	18 159 748	529 368	-
MC Meats (Pvt) Ltd	Sale of goods	796 849	60 904	-
Takura Management Services (Pvt) Ltd	Management services	(21 086 498)	-	39 535 812
		<b>(9 929 565)</b>	<b>1 195 359</b>	<b>41 108 554</b>



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 25 RELATED PARTY TRANSACTIONS (CONTINUED)

### 25.3 Related party transactions and balances (continued)

Related party (Entities under common control as Star Africa) 2025	Transaction type	*HISTORICAL COST		
		Amount realised / (expensed) ZWG	Amounts owed by related parties ZWG	Amounts owed to related parties ZWG
Amalgamated Brands (Pvt) Ltd	Management fees	(19 344 180)	-	(2 556 458)
Cailo Marketing Services (Pvt) Limited	Marketing services supply	(5 578 692)	-	(1 616 389)
Caiilogistics (Pvt) Ltd	Cartage services supply	(16 778 082)	-	(11 948 705)
Cairns Foods (Pvt) Ltd	Sale of goods	322 656	-	-
Cashel Valley (Pvt) Ltd	Sale of goods	1 817 411	770 282	-
Charhons Biscuits (Pvt) Ltd	Sale of goods	5 656 078	2 790 778	-
Intro-Wise Catering (Pvt) Ltd	Catering services supply	(6 335 463)	-	(1 281 938)
Lobel's Holdings (Pvt) Ltd	Sale of goods	2 894 367	381 846	-
MC Meats (Pvt) Ltd	Sale of goods	617 259	70 428	-
Takura Management Services (Pvt) Ltd	Management services	(17 197 934)	-	(87 836 718)
Apex Grain (Pvt) Ltd	Commodities	(1 123 163)	-	(38 270 708)
		<b>(55 049 743)</b>	<b>4 013 334</b>	<b>(143 510 916)</b>
<b>2024</b>				
Amalgamated Brands (Pvt) Ltd	Management fees	(1 747 159)	-	225 869
Cailo Marketing Services (Pvt) Limited	Marketing services supply	(587 294)	-	262 167
Caiilogistics (Pvt) Ltd	Cartage services supply	(231 883)	-	66 007
Cairns Foods (Pvt) Ltd	Sale of goods	13 665	21 433	-
Cashel Valley (Pvt) Ltd	Sale of goods	425 714	306 527	-
Charhons Biscuits (Pvt) Ltd	Sale of goods	1 806 648	-	-
Intro-Wise Catering (Pvt) Ltd	Catering services supply	(961 783)	-	298 389
Lobel's Holdings (Pvt) Ltd	Sale of goods	1 177 627	286 920	-
MC Meats (Pvt) Ltd	Sale of goods	63 547	33 009	-
Takura Management Services (Pvt) Ltd	Management services	(2 266 876)	-	21 428 580
		<b>(2 307 794)</b>	<b>647 889</b>	<b>22 281 012</b>

Transactions with related parties are carried out at arm's length. The amounts outstanding are unsecured and will be settled on normal terms. No expense has been recognised in the current or prior periods for expected credit losses in respect of the amounts owed by related parties.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 25 RELATED PARTY TRANSACTIONS (CONTINUED)

### 25.4 Remuneration of directors and other key management

The remuneration of directors and other members of key management during the year was as follows:

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	**2024 ZWG	2025 ZWG	**2024 ZWG
Short term employee benefits	19 576 917	24 108 390	14 217 339	2 174 635
Post employment pension and medical benefits	3 567 084	3 311 451	2 550 538	300 117
	<b>23 144 001</b>	<b>27 419 841</b>	<b>16 767 877</b>	<b>2 474 752</b>
<b>25.5 Pension cost charged to the profit or loss during the year</b>				
Group pension scheme - Defined contribution plan	6 073 727	7 396 694	4 403 778	630 086
National Social Security- Defined contribution plan	1 904 182	1 959 545	1 389 993	146 653
	<b>7 977 909</b>	<b>9 356 239</b>	<b>5 793 771</b>	<b>776 739</b>
<b>25.6 Amounts due from related parties Star Africa Operations (Pvt) Ltd ("SAO")</b>				
Opening balance	4 217 549	14 668 195	2 285 930	246 267
SAO working capital funding	4 684 339	37 651 537	4 684 339	2 039 663
Tax and other administration paid by SAO	-	-	-	-
Effects of inflation	(1 931 619)	(48 102 183)	-	-
<b>Closing balance</b>	<b>6 970 269</b>	<b>4 217 549</b>	<b>6 970 269</b>	<b>2 285 93</b>

These are amounts owed by the operating subsidiary of the Company, Star Africa Operations (Private) Limited. The Company's cash inflows mainly comprise of dividends income from Tongaat Hulett Botswana (Proprietary) Limited. At times, the cash is then transferred and utilised by Star Africa Operations (Private) Limited in the purchase of raw materials and other refining consumables. This, consequently, creates intercompany balances due from Star Africa Operations (Private) Limited. The amounts due from Star Africa Operations (Private) Limited have got no stipulated payment terms as they are recovered through payments that Star Africa Operations (Private) Limited makes on behalf of the Company.

Amount due on Quarterly Payment Dates ("QPDs"), audit fees and legal fees are cash outflows which Star Africa Operations (Private) Limited makes on behalf of the Company which significantly reduces the total balance due to the Company. Such an operating approach has resulted in the above amount becoming a revolving balance which constantly changes from time to time. The amount is fully recoverable to the Company as the quantum of payments Star Africa Operations (Private) Limited makes in a year on behalf of the Company can be significant. As a result, this amount due has been classified as a current asset in the Company's statement of financial position. In turn, the amount is also recognised as a current liability by Star Africa Operations (Private) Limited as it is payable on demand whenever the Company has some cash outflow needs. As a result, Star Africa Operations (Private) Limited always has an immediate obligation to settle the Company's cash needs as and when they arise resulting in this liability being recognised as current in its books.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 26 FINANCIAL RISK MANAGEMENT

The Group's principal financial liabilities comprise trade payables. The main purpose of these financial liabilities is to raise finance for the Group's operations. The Group has trade and other receivables and cash which arise direct from its operations.

The Group is exposed to market risk, credit risk and liquidity risk.

The Group's senior management oversees the management of these risks. The Group's senior management is supported by the Audit and Risk Committee that advises on the financial risks and the appropriate financial risk governance framework for the Group. The Audit and Risk Committee provides assurance to the Group's senior management that the Group's financial risk taking activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group policies and risk appetite.

The Board of Directors reviews and agrees policies for managing each of these risks which are summarised below.

### 26.1 Market risk

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises of two types of risk: foreign currency risk and interest risk. The Group has no interest bearing borrowing which are subject to interest rate risk.

The Group has a bank overdraft facility that bears interest on the utilised balance. As a result, there is no risk as there is no volatility of this interest rate. The Group does not have any other fixed term interest bearing liabilities.

### 26.2 Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group has transactional currency exposures. The exposure is managed through continuously seeking for foreign currency to pay outstanding balances and commitments. Because of investments in Botswana, the Group's statement of financial position can be affected significantly by movements in the ZWG/BWP exchange rates respectively.

The Group has a 33.33% (2024: 33.33%) investment in Tongaat Hulett Botswana (Proprietary) Limited whose primary trading currency is the pula. The value of the Group's share in net assets, is susceptible to changes in the exchange rates between the Botswana pula ("BWP") and the ZWG which is the Group's reporting currency. The changes are reported under other comprehensive income (OCI) and non-current assets.

The Group also has US\$ denominated assets and liabilities. These balances are therefore susceptible to changes in the exchange rates between the US\$ and the ZWG which is the Group's reporting currency. The changes are included in profit or loss and ultimately in equity.



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 26 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 26.2 Foreign currency risk (continued)

Sensitivity analysis – method and assumptions

#### Method

1. Movement between the ZWG exchange rate against other currencies was analysed and it was established that it had depreciated by close to 97% from 5 April 2024, when the new currency was introduced, when the Reserve Bank of Zimbabwe ("RBZ") foreign exchange auction rate was at ZWG 13.5616 to the RBZ foreign exchange auction rate of ZWG 26.7459 to the US\$ at 31 March 2025. The exchange rate as shown in the below table show a fluctuating rate of currency depreciation quarterly during the year.

DATE	EXCHANGE RATE ZWG/US\$1	CURRENCY DEPRECIATION	DATE	EXCHANGE RATE ZWG/BWP1	CURRENCY DEPRECIATION
05-APR-24	13.5616	-	05-APR-24	0.9954	-
30-JUN-24	13.7031	1%	30-JUN-24	1.0065	1%
30-SEP-24	24.8831	82%	30-SEP-24	1.9111	90%
31-DEC-24	25.7985	4%	31-DEC-24	1.8435	-4%
31-MAR-25	26.7459	4%	31-MAR-25	1.9567	6%

2. The above movement was therefore adopted as a base case scenario and a movement of 100% as a worst case scenario. The best-case scenario was assumed to be a 50% depreciation of the ZWG.

3. Foreign denominated monetary assets and liabilities balances as at 31 March 2025 were taken and translated at the closing rate of ZWG 1.9567:BWP1 and ZWG 26.7459:US\$1 for the foreign investments and foreign currency denominated assets and liabilities respectively.

4. The assumed percentage movements as stipulated in 2 above were then applied on the closing balance to show the possible outcomes.

#### Assumptions

- The foreign investment will continue being held in the next financial year ending 31 March 2025
- The foreign based assets and liabilities will be outstanding in the financial year ending 31 March 2025
- Best and worst case scenarios, as detailed in 2 above

The tables below demonstrate the sensitivity to a reasonable possible change in ZWG against other currencies

#### 26.2.1 ZWG against BWP

The sensitivity is based on the Group's share of Tongaat Hulett Botswana (Proprietary) Limited's net assets as at 31 March:

	2025 BWP	2024 BWP
Investment in Associate	25 977 948	22 532 104

YEAR	INVESTMENT IN ASSOCIATE	CHANGE IN BWP RATE	EFFECT ON OCI ZWG	EFFECT ON OCI ZWG
2025	BWP 25 977 948	+100%	50 831 050	50 831 050
2025	BWP 25 977 948	+50%	25 415 525	25 415 525

YEAR	INVESTMENT IN ASSOCIATE	CHANGE IN BWP RATE	EFFECT ON OCI ZWG	EFFECT ON OCI ZWG
2024	BWP 22 532 104	+100%	26 792 888	26 792 888
2024	BWP 22 532 104	+50%	13 396 444	13 396 444



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 26 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 26.2.2 ZWG against USD

The sensitivity is based on the Group's exposure to all US\$ denominated assets and liabilities as at 31 March.

	2025 USD	2024 USD
Cash and bank balance	70 812	42 072
Receivables	1 447 069	1 726 575
Trade and other payables	(10 402 302)	(3 869 439)
Short-term borrowings	(2 743 579)	(2 017 500)
<b>Total</b>	<b>(11 628 000)</b>	<b>(4 118 292)</b>

YEAR	US\$ DENOMINATED ASSETS AND LIABILITIES	CHANGE IN US\$ RATE	EFFECT ON PROFIT OR LOSS ZWG	EFFECT ON CURRENT ASSETS ZWG
2025	(11 628 000)	+100%	(311 001 354)	(311 001 354)
2025	(11 628 000)	+50%	(155 500 677)	(155 500 677)

YEAR	US\$ DENOMINATED ASSETS AND LIABILITIES	CHANGE IN US\$ RATE	EFFECT ON PROFIT OR LOSS ZWG	EFFECT ON CURRENT ASSETS ZWG
2024	(4 118 292)	+100%	67 215	67 215
2024	(4 118 292)	+50%	33 607	33 607

26.2.3 The aggregate net foreign exchange gains/losses recognised in profit or loss were:

	INFLATION ADJUSTED		*HISTORICAL COST	
	2025 ZWG	2024 ZWG	2025 ZWG	2024 ZWG
Total net foreign exchange losses recognised in profit before income tax for the period	224 941 092	376 258 801	142 101 652	62 082 505



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# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 26 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 26.3 Liquidity Risk

Liquidity risk for the Group arises from short-term borrowings as well as day-to-day operational requirements in the form of obligations to the Group's creditors and tax payable to the authorities. The Group's objective is to maintain a balance between continuity of funding and flexibility through the use of bank overdrafts and bank loans. The Group assesses the maturity profiles of both its financial investments and financial assets e.g. trade receivables, other financial assets and projected cash flows from operations with a view to match them with settlement of liabilities as they fall due. This is done through a liquidity and working capital model.

The table below summarises the maturity profile of the Group's financial assets and financial liabilities at 31 March 2025 based on contractual undiscounted payments

	INFLATION ADJUSTED		*HISTORICAL COST	
	Less than 4 months ZWG	Total ZWG	4 months ZWG	Total ZWG
<b>2025</b>				
Bank overdraft	(73 379 496)	(73 379 496)	(73 379 496)	(73 379 496)
Short-term borrowings	304	304	304	304
Trade and other payables	(289 546 151)	(289 546 151)	(289 546 151)	(289 546 151)
Trade and other receivables	78 653 712	78 653 712	78 653 712	78 653 712
Cash and cash equivalents	3 506 768	3 506 768	3 506 768	3 506 768
	<b>(280 764 863)</b>	<b>(280 764 863)</b>	<b>(280 764 863)</b>	<b>(280 764 863)</b>
<b>2024</b>				
Bank overdraft	(34 415 839)	(34 415 839)	(18 653 533)	(18 653 533)
Short-term borrowings	(560)	(560)	(304)	(304)
Trade and other payables	(173 840 792)	(173 840 792)	(94 222 456)	(94 222 456)
Trade and other receivables	28 213 261	28 213 261	15 291 708	15 291 708
Cash and cash equivalents	2 389 721	2 389 721	1 295 239	1 295 239
	<b>(177 654 210)</b>	<b>(177 654 210)</b>	<b>(96 289 346)</b>	<b>(96 289 346)</b>

### Working capital management

The Group held ZWG 121 330 634 worth of inventory as at 31 March 2025. This inventory is fast moving with an inventory turnover rate of just 45.28 days for the year ended 31 March 2025. If an assumption is made that all this inventory is sold to debtors, the debtor collection period for the year ended 31 March 2025 was 17.54 days. This translates to a total inventory-to-cash transformation period of 62.83 days. This, therefore, adds an additional ZWG 203 522 911 of liquid assets to the Group's balance sheet within the first two months of the ensuing period after 31 March 2025. This additional liquidity ensures that the business is able to settle its daily working capital requirements as and when they fall due.

### 26.4 Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group's financial assets which are subject to credit risk are mainly trade receivables and cash and cash equivalents. It is the Group's policy to only trade with recognised and credit worthy third parties. About 78% of the business is on a credit basis and the customers are subject to credit verification procedures. In addition, trade receivables' balances are monitored on an ongoing basis with the result that the Group's exposure to expected credit losses is not significant. Trade receivables which are not impaired are those still within their settlement terms or those with an alternative settlement plan that is being adhered to. An expected credit losses analysis is performed at each reporting date using a provision matrix to measure expected credit losses. The provision rates are based on days past due for groupings of various customer segments with similar loss patterns (i.e., geographical region, product type, customer type and rating). The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 26 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 26.4 Credit Risk (continued)

The provision matrix is initially based on the Group's Historical observed default rates. The Group will calibrates the matrix to adjust the historical credit loss experience with forward-looking information. For instance, if forecast economic conditions (i.e. the Consumer Price Index and the Non-Performing Loans Ratio) are expected to deteriorate over the next year which can lead to an increased number of defaults in the 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's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Generally, trade receivables are written-off if past due for more than one year and are not subject to enforcement activity. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in Note 16.

The Group does not take collateral for the amounts extended to customers. Cash resources are placed with various approved financial institutions. The financial institutions are of a high credit standing.

Set out below is the Group's provisioning matrix for financial years 2025 and 2024:

#### INFLATION ADJUSTED

31 MARCH 2025	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWG)	50 590 895	15 712 687	5 735 749	6 074 382	539 999	78 653 712
EXPECTED CREDIT LOSS RATE (%)	3.55%	13.94%	42.04%	100.00%	100%	
EXPECTED CREDIT LOSS (ZWG)	1 793 995	2 190 267	2 411 080	6 074 382	539 999	13 009 722

31 MARCH 2024	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWG)	11 567 920	10 088 937	4 916 938	284 632	1 354 834	28 213 261
EXPECTED CREDIT LOSS RATE (%)	2%	9%	34%	80%	100%	
EXPECTED CREDIT LOSS (ZWG)	247 318	925 776	1 662 655	226 291	1 354 834	4 416 876

#### HISTORICAL COST

31 MARCH 2025	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWG)	50 590 895	15 712 687	5 735 749	6 074 382	539 999	78 653 712
EXPECTED CREDIT LOSS RATE (%)	4%	14%	42%	100%	100%	
EXPECTED CREDIT LOSS (ZWG)	1 793 995	2 190 267	2 411 080	6 074 382	539 999	13 009 722

31 MARCH 2024	CURRENT	30-59 DAYS	60-89 DAYS	90-120 DAYS	120+ DAYS	TOTAL
EXPECTED GROSS CARRYING AMOUNT AT DEFAULT (ZWG)	6 269 862	5 468 247	2 665 002	154 272	734 326	15 291 708
EXPECTED CREDIT LOSS RATE (%)	2%	9%	34%	80%	100%	
EXPECTED CREDIT LOSS (ZWG)	134 048	501 775	901 166	122 651	734 326	2 393 966



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## 26 FINANCIAL RISK MANAGEMENT (CONTINUED)

### 26.5 Interest Risk

This is the risk that the fair value of future cash flows of a financial instruments will fluctuate because of changes in market interest rates. The Group had, at 31 March 2025, an outstanding overdraft with applicable base interest rate of 7% per annum. Interest accrues at the USD base interest rate plus a margin of 1% per annum (effective interest rate of 8% per annum), which bring exposure to interest risk. In the 2025 financial year, the Group had outstanding overdraft with applicable base interest rate of 7% per annum.

### 26.6 Capital Management

Capital includes equity attributable to the equity holders of the parent.

The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

No changes were made in the objectives, policies or processes during the year ended 31 March 2025.

The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio below 40% (2024: 40%).The Group includes within net debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents . Capital includes equity attributable to the equity holders of the parent.

	INFLATION ADJUSTED	*HISTORICAL COST	
	2025 ZWG	2024 ZWG	2025 ZWG
Borrowings-short term (Note 19.2)	304	560	304
Bank overdraft	73 379 496	34 415 839	18 653 533
<b>Net debt</b>	<b>73 379 800</b>	<b>34 416 400</b>	<b>18 653 837</b>
Equity	397 586 648	396 039 954	327 891 795
<b>Capital and net debt</b>	<b>470 966 448</b>	<b>430 456 354</b>	<b>116 803 416</b>
Gearing ratio	16%	8%	18%

### 26.7 Fair values of financial instruments

Fair value of cash and cash equivalents, trade receivables, trade payables, bank overdrafts and other current liabilities approximate their carrying amount because of their short-term nature.

In terms of IFRS 13 the fair value of a liability reflects the effect of non-performance risk. Non- performance risk includes, but is not limited to the Group's own credit risk and settlement risk. Management could not determine the adjustment required to the estimated market related interest rate above for non-performance risk. Management could not reliably determine the Group's credit spread as there are no quoted prices for corporate bonds of similar credit quality to the Group's loans and borrowings. Furthermore, there are no borrowers of a similar credit rating as the Group's. Accordingly, the fair value of the Company's liabilities could not be accurately determined.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS

For The Year Ended 31 March 2025

## 27 GOING CONCERN

### **Operating Performance**

During the year ended 31 March 2025, the Group incurred an operating loss of ZWG 79,801,407 (2024: loss of ZWG 501,484,480), and as at that date, the Groups current liabilities exceed its current assets by ZWG 153,551,880. This was largely due to foreign exchange losses realised on recording foreign currency receipts at interbank rate and from restating liabilities denominated in foreign currencies. The business is forecasting a profit in FY 2026 on the back of cost reduction initiatives undertaken in FY 2025, as well as revenue growth.

### **Production Capacity**

The business does not have production capacity constraints. The plant has an annual production capacity of 120,000 tonnes, which can be uplifted to 180,000 tonnes per year with additional capital expenditure. The plant ran well for the period under review. Production aligned with the rate of finished goods sale to manage working capital. Sales volumes for the year were 59,613 tonnes, which was 7% above prior year volume of 55,799 tonnes. The business forecasts selling 70,000 tonnes in FY 2026. Growth will be achieved in the two business segments, Goldstar Sugars and Country choice Foods, through competitive pricing to the market, better distribution and penetration of the informal markets, and roll out of new products.

Star Africa maintained The Coca Cola Company ("TCCC), DQS and ISO:90001 and Food safety certifications, which are key in securing key customers in the local market. Relationships with customers remain cordial.



# NOTES TO THE GROUP AND COMPANY FINANCIAL STATEMENTS (CONTINUED)

For The Year Ended 31 March 2025

## **Working Capital Management**

The business has a net working capital deficit of ZWG 153 551 880. The following actions have been taken to strengthen the business working capital position:

- Concluding a long-term supply agreement the local raw sugar supplier – this guarantees access to raw sugar, a key raw material;
- Entering into raw material consignment agreements with key supplies;
- Negotiating extended payment terms with key non-trade / related party creditors; and
- Accessing new banking facilities, renewable annually that have enabled the business to restructure the working capital profile.

The business has adequate access to working capital to support operations.

## **Regulatory Environment**

Customs and Excise (Surtax Tariff) (Amendment) Notice, 2025 (No. 6) was promulgated on 15 May 2025 that added white sugar to imports that attract a surtax of 30%. This measure protects the local sugar industry from regional producers dumping their sugar. It is Management's view that the business will realise an increase in volumes on the back of this policy.

## **Conclusion**

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.

## **28 EVENTS AFTER REPORTING DATE**

There were no significant events after the reporting date.



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## FOR THE **INVESTOR**

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## TOP 10 SHAREHOLDERS

CONSOLIDATED TOP 10 AS AT 31 MARCH 2025

RANK	ACCOUNT NAME	SHARES	% OF TOTAL
<b>1</b>	INVESTORS IN AFRICA-TAKURA VEN	2,131,888,399	44.33
<b>2</b>	NSSA - NATIONAL PENSION SCHEME	1,491,505,021	31.02
<b>3</b>	TAKURA III (PRIVATE) LIMITED	717,958,811	14.93
<b>4</b>	OLD MUTUAL LIFE ASSURANCE COMPANY OF ZIMBABWE LIMITED	43,402,001	0.90
<b>5</b>	ZSR INVESTMENTS (UK) LIMITED	26,012,200	0.54
<b>6</b>	CORPSERVE NOMINEES PVT LTD	21,696,081	0.45
<b>7</b>	MOYO, NEPSON	21,153,500	0.44
<b>8</b>	SOUTHERN TRUST SECURITIES (PVT) LTD	17,000,000	0.35
<b>9</b>	HOMEGUARD SERVICES (PVT) LTD,	16,884,824	0.35
<b>10</b>	MASAWI, ROSIAN TENDAI	15,819,985	0.33
<b>TOTAL</b>		<b>4,503,320,822</b>	<b>93.65</b>
<b>OTHER SHAREHOLDERS</b>		<b>305,341,513</b>	<b>6.35</b>
<b>TOTAL NUMBER OF SHARES</b>		<b>4,808,662,335</b>	<b>100.00</b>



# NOTICE TO SHAREHOLDERS

Notice is hereby given that the 91<sup>st</sup> Annual General Meeting of Star Africa Corporation Limited will be held as a virtual meeting via Microsoft Teams on 26 September 2025 at 11 a.m for the purposes listed hereunder. Shareholders will be asked to connect and attend the meeting via the link: <https://polling.fts-net.com/>

## **1. Virtual Annual General Meeting**

To consider and, if deemed fit, approve the holding of the Annual General Meeting electronically (Virtually).

## **2. Financial Statements**

To receive and approve the Audited Financial Statements and the Reports of the Directors and Auditors for the year ended 31 March 2025.

## **3. Re-election of Directors who retire by rotation**

In terms of Article 100 of the Articles of Association, Messrs R.J. Mbire and G.T. Nyamayi retire by rotation and, being eligible, offer themselves for re-election. The election of directors will be made through separate resolutions.

## **4. Directors' Remuneration**

To approve fees accrued to directors for the year ended 31 March 2025.

## **5. Auditors**

**5.1** To approve the remuneration of the independent auditors for the year ended 31 March 2025.

**5.2** To re-appoint Messrs. Grant Thornton as independent auditors of the Company for the ensuing year. Grant Thornton, who have been the company's independent auditors for two years, have indicated their willingness to continue as independent auditors for the ensuing year.

## **By Order Of The Board**

Mr. Dzingayi Maworera

**COMPANY SECRETARY**

49 Douglas Road, Workington  
P O Box ST396, Southerton, Harare

4 September 2025

Every member entitled to attend and vote at this Meeting is entitled to appoint one or more proxies to attend and vote and speak instead of him. A proxy need not be a member of the Company. A member wishing to appoint a proxy must lodge the completed proxy form at the Registered Office of the Company at least 48 hours before the meeting.



## FORM OF PROXY

I / We ..... (please print) being a member of Star Africa Corporation limited, hereby appoint the Chairman of the Company, or failing him, the chairman of the meeting, or failing him

..... of ..... as my/our proxy to vote for me/us and on my/our behalf at the Annual General Meeting to be held virtually via Microsoft Teams on Friday 26 September 2025 at 11:00 hours and at any adjournment thereof.

Signed this ..... day of ..... 2025

Signature

### Notes

In terms of section 171 of the Companies and Other Business Entities Act (Chapter 24.31), as amended, any member entitled to attend and vote at the above-mentioned meeting is entitled to appoint a proxy, who need not be a member, to attend and speak and, on a poll, vote in his stead. Proxies must be lodged with the Company Secretary at the Company's registered office at least 48 hours before the meeting.

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limited

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