RES CORPORATION

CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS 2022

Standing true to our values

Consolidated and Separate Financial Statements

For the year ended 31 March 2022

CONTENTS

STATEMENT OF RESPONSIBILITY BY THE BOARD OF DIRECTORS

FOR THE YEAR ENDED 31 MARCH 2022

Directors' responsibilities in relation to the consolidated and separate financial statements

The Company's directors are responsible for the preparation and fair presentation of the consolidated financial statements and the separate financial statements of The Royal Eswatini Sugar Corporation Limited ("RES"), comprising the statements of financial position at 31 March 2022, statements of profit or loss and other comprehensive income, the statements of changes in equity, the statements of cash flows for the year then ended, and the notes to the financial statements, which include a summary of significant accounting policies, the identification of reporting entity and basis of preparation, and the directors' report in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Eswatini.

The directors are also responsible for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and for maintaining adequate accounting records and an effective system of risk management.

The directors have made an assessment of the ability of the Company and its subsidiaries to continue as going concerns and have no reason to believe that the businesses will not be going concerns in the year ahead.

The auditor is responsible for reporting on whether the consolidated financial statements and separate financial statements are fairly presented in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Eswatini.

Approval of consolidated financial statements and Company financial statements

The consolidated financial statements and separate financial statements of The Royal Eswatini Sugar Corporation Limited, set out on pages 6 to 58, were approved by the board of directors on 22 June 2022 and are signed on their behalf by:

A T Dlamini
(Chairman)

N M Jackson
(Director)

Opinion

We have audited the consolidated and separate financial statements of The Royal Eswatini Sugar Corporation Limited and its subsidiaries (the group and company), set out on pages 6 to 58 which comprise the statements of financial position as at 31 March 2022, and the statements of profit or loss and other comprehensive income, the statements of changes in equity and the statements of cash flows for the year then ended, and the notes to the financial statements, including a summary of significant accounting policies and the directors' report.

In our opinion the consolidated and separate financial statements present fairly, in all material respects, the consolidated and separate financial position of The Royal Eswatini Sugar Corporation Limited as at 31 March 2022, and its consolidated and separate financial performance and consolidated and separate cash flows for the year then ended in accordance with International Financial Reporting Standards, and in the manner required by the Companies Act of Eswatini.

Basis for opinion

We conducted our audit in accordance with International Standards of Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' responsibilities for the audit of the consolidated and separate financial statements* section of our report. We are independent of the group and company in accordance with the International Ethics Standards Board for Accountants' *International Code of Ethics for Professional Accountants (including International Independence Standards* (IESBA Code) together with the ethical requirements that are relevant to the audit of financial statements in Eswatini and have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of the most significance in our audit of the consolidated and separate financial statements of the current period. These matters were addressed in the context of our audit of the consolidated and separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Assessment of goodwill for impairment.

Refer to note 4 - Use of estimates, note 9 - Goodwill and Significant accounting policies in notes 40.1 and 40.5 to the financial statements

This key audit matter is applicable to the consolidated financial statements

The key audit matter	How the matter was addressed in our audit

Goodwill of E 286 481 000 in the consolidated financial statements, is required to be assessed for impairment on an annual basis. The impairment assessment, made by the directors, in respect of the goodwill allocated to Mhlume Sugar Company Limited (the cash generating unit, "CGU") involves key assumptions in relation to forecasting future cash flows and is sensitive to growth rates embedded in the business plan and the discount rate applied to the future cash flows.
 	
Due to the significant judgement and estimation uncertainty in respect of determining the recoverable amount of the CGU the assessment of goodwill for impairment was considered a key audit matter in our audit of the consolidated financial statements.
	Our audit work included the following procedures:
	
	We assessed the assumptions used by the directors in the goodwill impairment assessment specifically in respect of the cash flow forecasts, discount rates and growth rates applied by performing the following:
	• We tested the design and operating effectiveness of management review of the goodwill impairment calculation.
	• We used our internal valuation specialist to assess the reasonableness of the discount rate applied in the discounting of future cash flows by comparing the rates used to those rates applicable to the R186, South African 10 year bond and R209 South African risk free bond rates used as proxies and adjusted for country and industry specific risk factors.
	• We evaluated the cash flow forecasts by analysing projected income and expenditure streams in line with the company's projected production.
	• We assessed future projected production for reasonableness in relation to current production and management's future plans.
	• We compared capital expenditure projections to existing plans to acquire assets necessary to ensure the company meets production targets.
	• We assessed the reasonableness of future growth rates by:
	  o Comparing forecast sugar prices to current prices and to the expected prices from global and regional markets.
	  o Comparing the inflation adjustments on expenses to current and projected inflation rates.
	• We performed an independent sensitivity analysis by changing the key assumptions applied to assess the impact on the value in use of the CGU including changes in projections that might be brought about by the Covid-19 pandemic and the conflict in Ukraine.
	• We assessed the appropriateness of the disclosures made in the consolidated financial statements against requirements of IAS36 *Impairment of Assets.*

Valuation of biological asset: Growing cane

Refer to note 4 - Use of estimates, note 13 – Biological assets and Significant accounting policies in note 40.7 to the financial statements.

This key audit matter is applicable to both the consolidated and separate financial statements

The key audit matter	How the matter was addressed in our audit
Growing cane of E 816 272 000 in the consolidated financial statements and E485 785 000 in the separate financial statements, is classified as a biological asset in terms of IAS 41, *Agriculture* and is carried at fair value less costs to sell. The fair value of the growing cane is determined using valuation techniques which include significant unobservable inputs (level 3). Our audit work focused on the valuation of growing cane given the level of judgement and estimation involved in determining the fair value. The fair values are derived from the following significant unobservable inputs: forecast yields per hectare of cane, forecast sucrose percentage in cane, forecast sucrose prices and exchange rates (indirectly) Accordingly, due to the significant judgement involved in determining the fair value of the growing cane the valuation of the biological asset was considered a key audit matter in our audit of the consolidated and separate financial statements.	Our audit work included the following procedures: • We tested the design and implementation as well as the operating effectiveness of management's review over the fair value calculation of the growing cane. • We assessed management's historic estimation accuracy in the determination of the fair value of growing cane by comparing the data that was used in the previous financial period against current year results, particularly with regards to the yields per hectare of cane, sucrose percentage in cane, harvest age and sugar prices actually paid by the Eswatini Sugar Association (ESA) which were based on sugar prices achieved in destination markets and exchange rate fluctuations. • We assessed the reasonableness of assumptions applied in the determination of the current year's fair value of growing cane by comparing the data that was used in the calculation as follows: o Selling price of sugar was agreed to the estimate obtained from the ESA. The selling price was assessed for reasonableness taking into account our knowledge of the Eswatini sugar industry, world, regional and local sugar prices and global exchange rate trends that may be brought about by the Covid-19 pandemic and the conflict in Ukraine. o Yields per hectare of cane, sucrose content in cane, harvest age of cane were compared to historical information. • We physically inspected a sample of cane fields to assess the quality of the crops to support the inputs used in the fair value determination of the growing cane. The quality of the crops were corroborated by discussions held with the ESA and the group's agronomists. • We assessed the appropriateness of the disclosures made in the financial statements against the requirements of IAS41 *Agriculture*.

Other information

The directors are responsible for the other information. The other information comprises the Statement of responsibility by the Board of Directors, which we obtained prior to the date of this report, and the Integrated Report, which is expected to be made available to us after that date. Other information does not include the consolidated and separate financial statements and our auditors' report thereon.

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

In connection with our audit of the consolidated and separate financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated and separate financial statements or our knowledge obtained during the audit, or otherwise appears to be materially misstated. If, based on the work we performed on the other information obtained prior to the date of this auditors' 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 the directors for the consolidated and separate financial statements

The directors are responsible for the preparation and fair presentation of the consolidated and separate financial statements in accordance with International Financial Reporting Standards and in the manner required by the Companies Act of Eswatini, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' responsibilities for the audit of the consolidated and separate financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated and separate financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' 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 and 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 consolidated and separate financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal 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 purposes of expressing an opinion on the effectiveness of the group's and the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the group's and the company's ability to continue as going concerns. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the consolidated and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the group and / or the company to cease to continue as going concerns.
- Evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where appropriate, related safeguards.

From the matters communicated with the directors, we determine those matters that were of most significance in the audit of the consolidated and separate financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditors' 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.

SNG Grant Thornton

SNG Grant Thornton Chartered Accountants (Eswatini)
per RT Sithebe
Chartered Accountant (Eswatini)
Partner
15 July 2022
Umkhiwa House
Lot 195 Kal Grant Street
Mbabane
Eswatini

The Directors have pleasure in presenting their report together with the financial statements for the year ended 31 March 2022.

General review of operations

The Group's principal activities are the growing and milling of sugar cane, the manufacture of sugar, and the manufacture of ethanol from molasses. The results of operations are fully disclosed in the attached financial statements.

The financial performance of the financial year ended 31 March 2022 reflects trade conducted under Covid-19 conditions. The Group continued to operate while adhering to the Covid-19 guidelines issued by Government and a proactive response has ensured the continuity of operations. Management and employees remained vigilant, cognisant of the negative ramifications that arise from complacency.

The effects of the war between Russia and Ukraine also impacted on the financial performance of the Group for the year ended 31 March 2022 as the business experienced significant price increases in fertilizer, chemicals and fuels. Both the Euro and US dollar traded at weaker levels with the former registering higher movement. This affected both sugar and ethanol revenues and associated trade collections. The Group is implementing various strategies to mitigate the associated risks.

As at the date of these financial statements, extension of lease agreements for land leased from Tibiyo TakaNgwane were at an advanced stage. The agreements have been finalized and await signature. The Directors have no reason to believe that the lease agreements will not be signed.

Dividends

The following dividends have been declared (refer note 17.3):

- A first interim dividend for the year ended 31 March 2022 of 125.0 cents (2021 – 84.4 cents) per share which was paid in November 2021;
- During the current financial there was no second interim dividend declared (2021- 61.5 cents) per share; and
- A final dividend for the year ended 31 March 2022 of 67.9 cents (2021- 108.6 cents) per share which will be paid in June 2022.

Board structure
The Board comprises of one executive and eleven non-executive directors.

Directorate
The directors of the Company during the year were:

Directors

A T Dlamini	(Chairman)
N M Jackson	(Managing Director)
R Field	
HRH Princess Lomajuba	
J N Gule	
I Ahmed	
Z R Magagula	
B Mkhaliphi	
Chief Z N Ndlangamandla	
M S M Shongwe	
I G van der Walt	
A Westermeyer	

Alternates

A Adeyemi	(to I Ahmed)
M Ndlela	(to J N Gule)
A Ngcobo	(to A T Dlamini)

Secretary and registered office

Secretary	**Registered Office**
L S Masango	Simunye Sugar Estate P O Box 1 Simunye

Auditors
SNG Grant Thornton Chartered Accountants (Eswatini)
Umkhiwa House
Lot 195, Kal Grant Street
Mbabane

Bankers
Standard Bank Eswatini Limited
Nedbank (Eswatini) Limited
First National Bank of Eswatini Limited

Transfer secretaries
SNG Grant Thornton (Advisory) (Eswatini) (Proprietary) Limited
P O Box 331
Mbabane
H100

Management structure
Managing Director
N M Jackson*

Commercial

M I Maziya*	General Manager Commercial
S Kunene	Stores Manager
S Saxena	Head of Distillery
J Shiba	Purchasing Manager
Z Zulu	Logistics and Marketing Manager

Operations

P Myeni*	General Manager - Operations
Vacant	Head of Agriculture
M Gama	Agricultural Manager - Production
B Shongwe	Agricultural Manager - Water Resources
M Tshawuka	Agricultural Manager - Services
V Malubane	Agronomy Manager
J Tfwala	Factories Manager
O Marais	Engineering Services & Projects Manager

Special Projects

S G Potts*	General Manager - Special Projects

Finance

D V Dhliwayo*	General Manager - Finance
A B Hlatshwayo	Finance Manager - Tax and Projects
M Zwane	Finance Manager - Business Planning & Reporting
T Sifundza	Financial Manager - Financial Management

Human Resources

B Masuku*	Group Human Resources Manager
B A Maziya	Head of Human Resources Operations
A Mdluli	Employee Relations Manager
S Shiba	Human Resources Manager - Learning and Talent
Dr R Shoshore	Human Resources Manager - Health and Wellness

Governance, Risk and Compliance

L Masango	Head: Governance, Risk and Compliance

Information Technology

R Coombe	Group IT Manager

Office of Strategy Management

P M Dlamini	Head of Strategy

Public Affairs

S Nyembe	Group Public Affairs Manager
I Fakudze	Property Services Manager

*Members of the Executive Committee (Exco)

STATEMENTS OF FINANCIAL POSITION
AS AT 31 MARCH 2022

	Note	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Assets					
Property, plant and equipment	8	2 228 442	1 882 171	1 211 089	1 100 501
Goodwill	9	286 481	286 481	-	-
Intangible assets	10	50 863	72 723	50 466	72 148
Investments in subsidiaries	11	-	-	666 474	666 474
Equity accounted investees	12	194 643	183 806	52 500	52 500
Deferred tax assets	30.4	33	60	-	-
Total non-current assets		2 760 462	2 425 241	1 980 529	1 891 623
Inventories	14	174 558	156 878	96 511	91 723
Biological asset - growing cane	13.2	816 272	747 915	485 785	432 628
Biological asset - livestock	13.3	18 623	19 178	-	-
Trade and other receivables	15	330 687	253 503	300 497	160 406
Taxation prepaid	35.1	21 259	5 297	-	-
Cash and cash equivalents	16	71 903	354 244	49 989	270 225
Total current assets		1 433 302	1 537 015	932 782	954 982
Total assets		4 193 764	3 962 256	2 913 311	2 846 605
Equity					
Share capital	17.1	128 639	128 639	128 639	128 639
Share premium	17.1	632 379	632 379	632 379	632 379
Preference share redemption reserve	17.2	78 104	78 104	78 104	78 104
Retained earnings		1 763 243	1 646 473	1 173 704	1 092 571
Total equity		2 602 365	2 485 595	2 012 826	1 931 693
Liabilities					
Deferred tax liabilities	30.4	546 652	487 127	321 184	292 352
Loans and borrowings	19	286 489	228 314	98 765	55 926
Employee benefits	20	98 300	108 270	69 169	71 544
Derivatives	21	2 399	-	629	-
Total non-current liabilities		933 840	823 711	489 747	419 822
Trade and other payables	22	394 677	320 015	240 909	266 628
Short term employee benefits	23	92 965	141 567	53 909	79 522
Derivatives	21	2 352	-	617	-
Current portion of loans and borrowings	19	76 890	57 103	24 627	14 675
Current tax liabilities	35.1	25 257	29 633	25 258	29 633
Dividends payable	35.2	65 418	104 632	65 418	104 632
Total current liabilities		657 559	652 950	410 738	495 090
Total liabilities		1 591 399	1 476 661	900 485	914 912
Total equity and liabilities		4 193 764	3 962 256	2 913 311	2 846 605

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Revenue	25	3 627 535	3 776 873	2 067 817	2 276 148
Cost of sales		(2 858 510)	(2 836 926)	(1 590 448)	(1 643 278)
Change in fair value of biological assets	13	67 802	110 848	53 157	33 901
Gross profit		836 827	1 050 795	530 526	666 771
Other income	26	78 824	69 676	110 380	179 899
Distribution expenses		(8 382)	(8 508)	(8 382)	(8 507)
Administration expenses		(520 967)	(473 574)	(295 584)	(295 736)
Impairment loss on trade receivables		(637)	(988)	(195)	(464)
Loss on disposal of business	6	-	-	-	(36 258)
Gain on bargain purchase	6	-	7 476	-	-
Operating profit	27	385 665	644 877	336 745	505 705
Finance income		20 693	31 607	15 358	21 881
Finance costs		(31 678)	(18 872)	(13 890)	(6 613)
Net finance income	29	(10 985)	12 735	1 468	15 268
Share of profit of equity accounted associate companies (net of income tax)	12	28 617	33 524	-	-
Profit before taxation		403 297	691 136	338 213	520 973
Income tax expense	30.1	(105 315)	(185 433)	(74 570)	(119 505)
Profit attributable to owners of the Company		297 982	505 703	263 643	401 468
Other comprehensive income (OCI)					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	20	6 400	2 571	4 610	1 805
Related deferred tax	30.2	(1 760)	(707)	(1 268)	(496)
Other comprehensive income, net of tax		4 640	1 864	3 342	1 309
Total comprehensive income for the year attributable to owners of the Company		302 622	507 567	266 985	402 777
Basic and diluted earnings per share (cents)	31	309.3	524.9	273.6	416.7

Dividend per share is disclosed in note 17.3.

STATEMENTS OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31 MARCH 2022

	Share Capital E'000	Share Premium E'000	Preference Share Redemption Reserve E'000	Retained Earnings E'000	Total E'000
2022 Group					
Balance at 1 April 2021	128 639	632 379	78 104	1 646 473	2 485 595
Profit	-	-	-	297 982	297 982
Other comprehensive income	-	-	-	4 640	4 640
Total comprehensive income for the year	-	-	-	302 622	302 622
Transactions with owners recorded directly in equity					
- Dividends (note 17.3)	-	-	-	(185 852)	(185 852)
Balance at 31 March 2022	128 639	632 379	78 104	1 763 243	2 602 365
2021 Group					
Balance at 1 April 2020	128 639	632 379	78 104	1 384 107	2 223 229
Profit	-	-	-	505 703	505 703
Other comprehensive income	-	-	-	1 864	1 864
Total comprehensive income for the year	-	-	-	507 567	507 567
Transactions with owners recorded directly in equity					
- Dividends (note 17.3)	-	-	-	(245 201)	(245 201)
Balance at 31 March 2021	128 639	632 379	78 104	1 646 473	2 485 595
2022 Company					
Balance at 1 April 2021	128 639	632 379	78 104	1 092 571	1 931 693
Profit	-	-	-	263 643	263 643
Other comprehensive income	-	-	-	3 342	3 342
Total comprehensive income for the year	-	-	-	266 985	266 985
Transactions with owners recorded directly in equity					
- Dividends (note 17.3)	-	-	-	(185 852)	(185 852)
Balance at 31 March 2022	128 639	632 379	78 104	1 173 704	2 012 826
2021 Company					
Balance at 1 April 2020	128 639	632 379	78 104	934 995	1 774 117
Profit	-	-	-	401 468	401 468
Other comprehensive income	-	-	-	1 309	1 309
Total comprehensive income for the year	-	-	-	402 777	402 777
Transactions with owners recorded directly in equity					
- Dividends (note 17.3)	-	-	-	(245 201)	(245 201)
Balance at 31 March 2021	128 639	632 379	78 104	1 092 571	1 931 693

STATEMENTS OF CASH FLOWS

FOR THE YEAR ENDED 31 MARCH 2022

	Note	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Cash flows from operating activities					
Profit before taxation		403 297	691 136	338 213	520 973
Adjusted for:					
Depreciation		220 563	193 719	120 115	115 870
Amortisation of intangible assets		21 562	18 252	21 384	18 074
Impairment of intangible assets		-	8 782	-	8 782
Increase in fair value of biological assets - growing cane		(68 357)	(111 735)	(53 157)	(33 076)
Decrease/(increase) in fair value of biological assets - livestock		555	888	-	(826)
(Decrease)/increase in non-current employee benefits		(3 570)	15 196	2 235	9 432
Loss/(profit) on disposal of property, plant and equipment		130	(1 288)	15	(693)
Loss on disposal of partnership assets		-	-	-	36 258
Loss on disposal of intangible assets		4 248	-	4 248	-
Dividend income		-	-	(72 236)	(127 112)
Finance income		(20 693)	(31 376)	(15 358)	(21 542)
Finance costs		31 678	18 872	13 890	6 613
Gain on bargain on purchase		-	(7 476)	-	-
Unrealised currency gain		1 461	2 202	1 461	2 202
Share of associated company net profit		(28 617)	(33 524)	-	-
Operating cash flows before movement in working capital		562 257	763 648	360 810	534 955
Movement in working capital					
(Increase)/decrease in inventory		(17 680)	1 651	(4 788)	(2 397)
(Increase)/decrease in trade and other receivables		(77 184)	38 652	(140 091)	(15 398)
Increase/(decrease) in trade and other payables		74 662	(524)	(25 719)	7 899
(Decrease)/increase in short term employee benefits		(48 602)	56 210	(25 613)	33 058
Cash generated from operations		493 453	859 637	164 599	558 117
Interest paid	29.1	(26 927)	(18 872)	(12 644)	(6 613)
Taxation paid	35.1	(67 861)	(128 030)	(51 381)	(79 735)
Net cash generated by operating activities		398 665	712 735	100 574	471 769
Cash flows from investing activities					
Proceeds from disposal of interest in Partnership		-	-	-	55 936
Finance income	29	20 693	31 376	15 358	21 542
Dividends received		17 780	13 090	72 236	127 112
Proceeds from sale of property, plant and equipment		812	1 668	12 163	986
Acquisition of property, plant and equipment	8	(567 676)	(293 288)	(242 881)	(215 520)
Acquisition of intangible assets	10	(3 950)	(16 928)	(3 950)	(16 928)
Acquisition of Partnership net of cash		-	(55 936)	-	-
Net cash utilised in investing activities		(532 341)	(320 018)	(147 074)	(26 872)
Cash flows from financing activities					
Proceeds from loans and borrowings	19.7	135 000	35 000	67 500	-
Repayment of borrowings	19.7	(54 947)	(47 946)	(12 571)	(12 572)
Repayment of Lease Liability		(2 191)	(3 912)	(2 138)	(3 894)
Dividends paid	35.2	(225 066)	(206 769)	(225 066)	(206 769)
Net cash utilised in financing activities		(147 204)	(223 627)	(172 275)	(223 235)
Net (decrease) / increase in cash and cash equivalents		(280 880)	169 090	(218 775)	221 662
Cash and cash equivalents at beginning of year	16	354 244	187 356	270 225	50 765
Effect of exchange rate fluctuations on cash held		(1 461)	(2 202)	(1 461)	(2 202)
Cash and cash equivalents at year end	16	71 903	354 244	49 989	270 225

1. Reporting entity

The Royal Eswatini Sugar Corporation Limited is a company domiciled in the Kingdom of Eswatini. The address of the Company's registered office is Simunye Sugar Estate. The consolidated financial statements as at and for the year ended 31 March 2022 comprise the Company and its subsidiaries (together referred to as the "Group" and individually as "Group companies") and the Group's interest in associates and joint ventures.

The Group is primarily involved in the growing and milling of sugar cane, the manufacture of sugar and the manufacture of ethanol from molasses.

Where reference is made to "the Group" in the accounting policies, it should be interpreted as referring to the Company, where the context requires, unless otherwise noted.

2. Basis of accounting

The consolidated and separate financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) and in the manner required by the Companies Act of Eswatini.

The consolidated and separate financial statements were authorised for issue by the Board of Directors on 22 June 2022.

3. Functional and presentation currency

The consolidated and separate financial statements are presented in Emalangeni, which is the functional currency of the parent and subsidiaries. All amounts have been rounded to the nearest thousand, unless otherwise indicated.

4. Use of estimates

In preparing these consolidated and separate financial statements, management has made estimates and assumptions that affect the application of the Group's and Company's accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment to the carrying amounts of assets and liabilities within the year ending 31 March 2022 is included in the following notes:

- Note 9 – goodwill impairment test: key assumptions underlying recoverable amounts.
- Note 13 – biological assets: determining the fair value of biological assets on the basis of significant unobservable inputs.
- Note 20 – measurement of defined benefit obligations: key actuarial assumptions.
- Note 37.3 – measurement of ECL allowance for trade receivables and contract assets: key assumptions in determining the weighted-average loss rate.

Measurement of fair values

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

The Group has an established control framework with respect to the measurement of fair values. This includes a valuation team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values, and reports directly to the General Manager – Finance.

The valuation team regularly reviews significant unobservable inputs and valuation adjustments. If third party information is used to measure fair values, then the valuation team assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of IFRS, including the level in the fair value hierarchy in which such valuations should be classified.

Significant valuation issues are reported to the Audit Committee.

When measuring the fair value of an asset or a liability, the Group uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability might be categorised in different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Group recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

Further information about the assumptions made in measuring fair values is included in the following notes:

- Note 9 – measurement of the recoverable amounts of cash-generating units containing goodwill;
- Note 13 – biological assets; and
- Note 37.2 – financial instruments.

5. Changes in significant accounting policies

New accounting pronouncements which have become effective from 01 April 2021 do not have a significant impact on the Group's financial results or position. These include:

- Covid-19 Rent Related Concessions (Amendments to IFRS 16)
- Covid-19 Rent Related Concessions beyond 30 June 2021 (Amendments to IFRS 16)
- Interest Rate Benchmark reform phase 2 (Amendments to IFRS 9, IAS 39, IFRS 4, IFRS 7 and IFRS 16)

The above Covid-19 rent related concessions and the interest rate benchmark reform are not relevant to the Group.

The remaining standards have been adopted on the effective dates but have not had a significant impact on the Group.

6. Acquisition and disposal of joint venture assets and liabilities

6.1 Transaction framework

On 30 November 2020 the Inyoni YaseSwatini Irrigation Scheme ("IYSIS") partnership between Tibiyo Taka Ngwane (50%) and the Company (50%) was dissolved and the assets, liabilities and obligations were distributed to the original partners. Tibiyo Taka Ngwane sold its share of the dissolved partnership assets, liabilities and obligations to the Mhlume Sugar Company Limited (MSCo), a 100% subsidiary of the Group with effect from 1 December 2020. On the same date the Company also sold its share of the dissolved partnership assets, liabilities and obligations to its subsidiary, MSCo. This resulted in MSCo assuming 100% of all the dissolved partnership assets, liabilities and obligations.

The dissolved partnership was involved mainly in cane growing, property management, livestock rearing, and water conveyance to cane growing farmers. With effect from 01 December 2020, all these activities now operate under the MSCo.

A cash amount of E58 million was transferred as consideration for the assets, liabilities and obligations acquired in each of the transactions. In the acquisition transactions the separate identifiable assets acquired and liabilities assumed were based on the book values at 30 November 2020.

	Acquisition Subsidiary E'000	Disposal Company E'000	Net Acquisition Group E'000
Property plant and equipment (note 8)	54 830	(27 415)	27 415
Intangible asset – favourable lease contract (note 10)	-	(1 000)	(1 000)
Bearer plants – cane roots (note 8)	31 854	(15 927)	15 927
Biological asset – growing crop (note 13)	74 111	(37 056)	37 055
Biological asset – livestock (note 13)	20 892	(10 446)	10 446
Inventories	447	(223)	2 234
Trade and other receivables	47 399	(23 699)	23 700
Trade and other payables	(34 759)	21 392	(13 367)
Deferred tax liability (note 30.4)	-	39	39
Short Term Employee Benefit	(4 282)	2 141	(2 141)
Deferred tax liability acquired	(34 886)	-	(34 886)
Total net identifiable assets	155 606	(92 194)	63 412
Consideration (paid)/ received	(116 000)	58 000	(58 000)
Cash and cash equivalents acquired/ (disposed)	4 128	(2 064)	2 064
Net cash (outflow)/ inflow	(111 872)	55 936	(55 936)
Gain on bargain purchase/ (loss on disposal of partnership assets)	43 734	(36 258)	7 476

		Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
6.2	Results of disposed IYSIS partnership				
	Revenue	-	-	-	108 671
	Cost of sales	-	-	-	(71 912)
	Change in fair value of biological assets	-	-	-	(16 430)
	Gross profit	-	-	-	20 329
	Other income	-	-	-	1 054
	Administration expenses	-	-	-	(5 289)
	Operating profit	-	-	-	16 094
	Finance income	-	-	-	119
	Profit before taxation	-	-	-	16 213
	Tax	-	-	-	(4 459)
	Profit after taxation	-	-	-	11 754
	Loss on remeasurement and disposal				
	Loss on sale of IYSIS Partnership	-	-	-	(36 258)
	Income tax on loss of discontinued operation	-	-	-	9 971
	Profit from IYSIS Partnership operations, net of tax	-	-	-	14 533
	Basic and diluted earnings per share (cents)	-	-	-	15.1
	The profit from the IYSIS Partnership was attributable to owners of the Company. The Group results were not affected by the disposal as the assets and liabilities were acquired by Mhlume Sugar Company a 100% subsidiary and the tax arises in the hands of the Company.				
6.3	Cashflows from disposal of IYSIS Partnership				
	Net cash used in operating activities	-	-	-	12 899
	Net Cash from investing activities	-	-	-	(5 605)
	Net cash flows for the year	-	-	-	7 294

7. Operating segments

The Group is organised into three reportable segments as described below. These are managed separately because they require different technologies and marketing strategies. For each of the strategic business units, the Chief Operating Decision Maker reviews internal management reports on a monthly basis. The following summary describes the operations in each of the Group's reportable segments:

Cane growing	Includes the growing of sugar cane on an area of approximately 22 523 hectares. All cane is harvested and delivered to the two sugar mills in the Group.
Sugar manufacturing	Includes the crushing of sugar cane by the two mills in the Group to produce either Raw Sugar, Very High Polarity ("VHP") Sugar or Refined Sugar. All sugar produced by the mills is sold to the Eswatini Sugar Association.
Ethanol production	Includes the manufacture of ethanol from molasses which is a by-product of the sugar manufacturing process. The ethanol is sold to the African, European and regional markets.

Other operations include citrus growing, livestock rearing, and eco-tourism activities. None of these segments meet any of the quantitative thresholds for determining reportable segments in 2022 or 2021.

Information regarding the results of each reportable segment is included below. Performance is measured based on segment operating profit before corporate costs and income tax, as included in the internal management reports that are reviewed by the Chief Operating Decision Maker. Segment profit is used to measure performance as management believes that such information is most relevant in evaluating the results of certain segments relative to other entities that operate within these industries.

Segment results are based on the Group's accounting policies.

Details of segment assets and liabilities are not regularly provided to the Chief Operating Decision Maker and are thus not disclosed as part of the segment report.

7. Operating segments *(continued)*

7.1 Information about reportable segments

	Cane Growing		Sugar manufacturing and marketing		Ethanol production and marketing		Unallocated		Consolidated	
	2022 E'000	2021 E'000	2022 E'000	2021 E'000	2022 E'000	2021 E'000	2022 E'000	2021 E'000	2022 E'000	2021 E'000
External revenue	8 980	11 097	3 238 156	3 332 069	340 798	403 384	-	-	3 587 934	3 746 550
Inter segment revenue	1 049 686	1 167 679	-	-	-	-	(1 049 686)	(1 167 679)	-	-
Total revenue	1 058 666	1 178 776	3 238 156	3 332 069	340 798	403 384	(1 049 686)	(1 167 679)	3 587 934	3 746 550
External revenue of all other operations not meeting segment criteria									39 601	30 321
Total consolidated revenue									3 627 535	3 776 871
Reportable segment operating profit before corporate costs and income tax	292 388	422 693	475 152	534 933	64 226	101 024	-	-	831 766	1 058 650
Results of other operations not meeting segment criteria									(18 340)	(14 543)
Unallocated other income									78 824	66 726
Unallocated corporate costs									(506 794)	(472 147)
Unallocated net finance income									(10 777)	11 451
Share of profit of equity accounted									28 618	33 523
associate companies									-	7 476
Fair value Adjustment										
Consolidated profit before tax									403 297	691 136
Segment capital expenditure	342 278	204 050	111 962	67 837	79 191	30 896	38 195	27 058	571 626	329 841
Depreciation and impairment	110 101	89 390	68 637	67 428	16 036	15 860	25 789	21 041	220 563	193 719
Amortisation and impairment of intangible assets	192	229	382	369	-	-	20 988	26 436	21 562	27 034
Increase/(decrease) in fair value of biological assets	68 357	111 736	-	-	-	-	(555)	(887)	67 802	110 848
Net foreign exchange gains	-	-	-	-	-	-	5 990	(231)	5 990	(231)

7.2 Geographical information

	Eswatini		South Africa		Consolidation	
	2022 E'000	2021 E'000	2022 E'000	2021 E'000	2022 E'000	2021 E'000
External revenue	3 627 535	3 776 873	-	-	3 627 535	3 776 873
Non-current assets	2 757 806	2 422 585	2 656	2 656	2 760 462	2 425 241
Capital expenditure	571 626	329 841	-	-	571 626	329 841

Eliminated inter-segment sales from Eswatini to South Africa were E nil (2021 – E nil).

Sugar is sold to the Eswatini Sugar Association and to regional markets through the joint venture described in note 12. Distillery sales are made to the European and African markets. Manufacturing facilities are located in Eswatini.

8. Property, plant and equipment

See accounting policies in note 40.4.

	Land and buildings E'000	Plant and machinery E'000	Irrigation equipment E'000	Vehicles, computer equipment, furniture and fittings E'000	Bearer plants E'000	Capital work-in progress ("CWIP") E'000	Total E'000
Group							
Cost							
Balance at 1 April 2020	700 656	1 890 599	541 405	474 862	347 121	144 719	4 099 362
Additions from acquisitions	11 842	1 583	31 610	6 171	31 854	3 624	86 684
Right of Use of Asset (note 39.1)	3 111	-	-	-	-	-	3 111
Additions	-	-	-	-	815	293 288	294 103
Transfers from CWIP	24 016	113 063	68 766	43 997	49 641	(299 483)	-
Disposal of partnership assets	(10 697)	(1 742)	(20 697)	(4 343)	(34 307)	(1 812)	(73 598)
Disposals	(422)	(1 611)	-	(3 579)	(167)	-	(5 779)
Balance at 31 March 2021	728 506	2 001 892	621 084	517 108	394 957	140 336	4 403 883
Balance at 1 April 2021	728 506	2 001 892	621 084	517 108	394 957	140 336	4 403 883
Right of Use of Asset (note 39.1)	100	-	-	-	-	-	100
Additions	-	-	-	-	-	567 676	567 676
Transfers from CWIP	64 558	110 082	74 935	60 067	80 914	(390 556)	-
Disposals	(847)	(945)	(1 213)	(2 495)	(995)	-	(6 495)
Balance at 31 March 2022	792 317	2 111 029	694 806	574 680	474 876	317 456	4 965 164
Accumulated depreciation and impairment losses							
Balance at 1 April 2020	(356 430)	(1 093 378)	(394 181)	(331 881)	(186 963)	-	(2 362 833)
Depreciation for the year	(18 495)	(73 668)	(24 268)	(34 673)	(42 615)	-	(193 719)
Disposal of partnership assets	4 740	919	4 885	1 332	18 380	-	30 256
Disposals	422	1 173	-	2 823	166	-	4 584
Balance at 31 March 2021	(369 763)	(1 164 954)	(413 564)	(362 399)	(211 032)	-	(2 521 712)
Balance at 1 April 2021	(369 763)	(1 164 954)	(413 564)	(362 399)	(211 032)	-	(2 521 712)
Impairment	-	-	-	-	-	-	-
Depreciation for the year	(18 270)	(79 347)	(31 469)	(44 272)	(47 205)	-	(220 563)
Disposals	1 459	185	862	2 799	248	-	5 553
Balance at 31 March 2022	(386 574)	(1 244 116)	(444 171)	(403 872)	(257 989)	-	(2 736 722)
Carrying value at 31 March 2020	344 226	797 221	147 224	142 981	160 158	144 719	1 736 529
Carrying value at 31 March 2021	358 743	836 938	207 520	154 709	183 925	140 336	1 882 171
Carrying value at 31 March 2022	405 743	866 913	250 635	170 808	216 887	317 456	2 228 442

Property, plant and equipment includes right-of-use assets of E5 780 478 related to leased property that do not meet the definition of investment property, and E1 981 508 in respect of other Computer Equipment.

8. Property, plant and equipment *(continued)*

See accounting policies in note 40.4.

	Land and buildings E'000	Plant and machinery E'000	Irrigation equipment E'000	Vehicles, computer equipment, furniture and fittings E'000	Bearer plants E'000	Capital work-in progress ("CWIP") E'000	Total E'000
Company							
Cost							
Balance at 1 April 2020	478 074	923 849	398 522	256 505	234 093	105 534	2 396 577
Right of Use of Asset (note 39.1)	153	-	-	-	-	-	153
Additions	-	-	-	-	-	215 520	215 520
Transfers from CWIP	15 000	95 527	60 968	26 109	29 295	(226 899)	-
Disposal of partnership assets	(10 697)	(1 742)	(20 697)	(4 343)	(34 307)	(1 812)	(73 598)
Disposals	(422)	(252)	-	(2 953)	(166)	(2)	(3 795)
Balance at 31 March 2021	482 108	1 017 382	438 793	275 318	228 915	92 341	2 534 857
Balance at 1 April 2021	482 108	1 017 382	438 793	275 318	228 915	92 341	2 534 857
Additions	-	-	-	-	-	242 881	242 881
Transfers from CWIP	14 397	79 778	30 449	41 018	25 013	(190 655)	-
Disposals	(10 765)	-	(2 790)	(1 561)	(995)	-	(16 111)
Balance at 31 March 2022	485 740	1 097 160	466 452	314 775	252 933	144 567	2 761 627
Accumulated depreciation and impairment losses							
Balance at 1 April 2020	(218 020)	(549 502)	(284 412)	(178 424)	(121 886)	-	(1 352 244)
Depreciation for the year	(14 289)	(38 509)	(18 670)	(17 741)	(26 661)	-	(115 870)
Disposal of partnership assets	4 740	919	4 885	1 332	18 380	-	30 256
Disposals	422	42	-	2 872	166	-	3 502
Balance at 31 March 2021	(227 147)	(587 050)	(298 197)	(191 961)	(130 001)	-	(1 434 356)
Balance at 1 April 2021	(227 147)	(587 050)	(298 197)	(191 961)	(130 001)	-	(1 434 356)
Depreciation for the year	(11 757)	(39 308)	(20 507)	(24 867)	(23 676)	-	(120 115)
Disposals	1 459	-	683	1 542	249	-	3 933
Balance at 31 March 2022	(237 445)	(626 358)	(318 021)	(215 286)	(153 428)	-	(1 550 538)
Carrying value at 31 March 2020	260 054	374 347	114 110	78 081	112 207	105 534	1 044 333
Carrying value at 31 March 2021	254 961	430 332	140 596	83 357	98 914	92 341	1 100 501
Carrying value at 31 March 2022	248 295	470 802	148 431	99 489	99 505	144 567	1 211 089

Property, plant and equipment includes right-of-use assets of E2 883 076 related to leased property that do not meet the definition of investment property, and E1 981 508 in respect of other Computer Equipment.

At a Group and Company level, capital work in progress represents on going projects in respect of the integrated growth plan, upgrading of both Sugar Mills and the Distillery plant. Also included are fields currently being replanted.

Freehold land and buildings
Included in land and buildings are freehold land and buildings comprising:

Company
Portion 2 of farm No. 175, situated in the district of Lubombo, Eswatini, measuring 236 hectares.

Portions 28 and 30 of farm No. 860 situated in the district of Lubombo, Eswatini, measuring 804 hectares and 47 hectares respectively.

At year end the carrying value of freehold land and buildings was E144 014 970 (2021 – E137 719 702).

Subsidiaries
Erf 65 Umbogintwini (Southgate) registration division ET situated in the South Local Council Area province of Kwazulu Natal in extent of 5 705 square metres. At year end the carrying value of freehold land and buildings was E2 595 768 (2021 – E2 595 768).

8. Property, plant and equipment *(continued)*

Leasehold buildings

Certain buildings included under land and buildings and cane roots under bearer plants are on the following leased land:

Company

Land leased from Tibiyo TakaNgwane for a period of 25 years with a lease that was renewed on 1 January 2003:

- Ngomane Estate: Farm No. 1044, situated in the district of Siteki, Eswatini, measuring 11 633 hectares; and Portion of the remainder of Farm 78, situated in the district of Siteki, Eswatini, measuring 450 hectares.
- Portion of the remainder of portion B of Farm No. 704 and a portion of the remainder of Farm No. 704, situated in the district of Siteki, Kingdom of Eswatini, measuring 3 808 hectares.
- Mlawula Estate: Farm No. 1244, situated in the district of Siteki, Eswatini, measuring 5 570 hectares.

Portions of Farm number 94 situated in the district of Lubombo, Eswatini, measuring 2 258 hectares are leased from Tibiyo TakaNgwane for a period of 19.5 years with an option to renew the lease for a further 22.25 years when the lease lapses on 31 December 2031.

Subsidiaries

Portions 1, 23, and 27 of farm number 860 and a certain portion 4 of farm number 94 situated in the district of Siteki, Eswatini, measuring 6 540 hectares are leased from Tibiyo TakaNgwane for a period of 25 years following renewal of the initial 25 year lease which lapsed on 08 September 2008.

Assets pledged as security

All moveable and immoveable assets with the exception of leased assets are pledged as security for loans. (Refer note 19.8).

9. Goodwill

See accounting policies in notes 40.1 and 40.5.

With effect from 1 May 2001 the Company acquired 100% of the issued share capital of Mhlume Sugar Company Limited for a consideration of E660 739 000 (Refer to note 11 for information on Mhlume Sugar Company Limited's operations). Additional expenditure relating directly to the due diligence process amounting to E4 225 000 was capitalised. After revaluation of property, plant, equipment, and growing cane the resultant goodwill amounted to E337 037 000. Goodwill is being subjected to annual impairment tests.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Goodwill				
Arising from holding company investment in subsidiary	286 481	286 481	-	-

Impairment testing for goodwill

For purposes of impairment testing goodwill is allocated to Mhlume Sugar Company Limited which represents the lowest level Cash Generating Unit ("CGU") within the Group at which goodwill is monitored for internal management purposes.

The key assumptions used in the estimation of the recoverable amount are set out below. The values assigned to the key assumptions represent management's assessment of future trends in the sugar industries and have been based on historical data from both external and internal sources.

- Cash flows were projected based on actual results and the twenty year long range business plan and a terminal growth rate of 5% thereafter. The Group has, over a period, developed the ability to perform reliable and detailed long range financial models.
- A pre-tax discount rate of 12.12% was used. This is based on the Group's weighted average cost of capital which is based on a typical sugar market debt leveraging of 35% at a pre-tax market interest rate of 9%. A range of rates was used based on the R186 and R209 risk free bond rates as proxies and these were adjusted for country specific risks.
- Budgeted EBITDA was estimated taking into account past experience, adjusted for planned efficiency improvements, price changes as informed by long term market research, and currency forecasts.
- Cashflows are projected over a period of twenty years as the Group has a business plan covering this period. This business plan is based on current lease commitments and group strategic plans for the future.

The recoverable amount of the cash-generating unit which is based on its value in use as determined by management, was calculated at E1.8 billion. This amount exceeds the carrying value of the CGU of E887 million.

The fair value measurement was categorised as a Level 3 fair value based on the inputs in the valuation model used, which has been detailed above.

In order for the carrying amount to equal the recoverable amount the pre-tax discount rate would need to be 17.0%.

10. Intangible assets

See accounting policies in note 40.6

	Acquired software E'000	Favourable lease contracts E'000	Total E'000
2021 Group			
Gross carrying amount			
Balance at 1 April 2020	206 407	4 200	210 607
Additions	16 928	-	16 928
Disposals	-	(2 080)	(2 080)
Balance at 31 March 2021	223 335	2 120	225 455
Accumulated amortisation and impairment			
Balance at 1 April 2020	(125 257)	(1 521)	(126 778)
Impairment	(8 782)	-	(8 782)
Amortisation for the year	(18 140)	(112)	(18 252)
Disposals	-	1 080	1 080
Balance at 31 March 2021	(152 179)	(553)	(152 732)
Carrying value at 31 March 2021	71 156	1 567	72 723
2022 Group			
Gross carrying amount			
Balance at 1 April 2021	223 335	2 120	225 455
Additions	3 950	-	3 950
Disposals	(4 248)	-	(4 248)
Balance at 31 March 2022	223 037	2 120	225 157
Accumulated amortisation and impairment			
Balance at 1 April 2021	(152 179)	(553)	(152 732)
Amortisation for the year	(21 515)	(47)	(21 562)
Balance at 31 March 2022	(173 694)	(600)	(174 294)
Carrying value at 31 March 2022	49 343	1 520	50 863

Intangible assets consist of computer software.

10. Intangible assets *(continued)*

See accounting policies in note 40.4

	Acquired software E'000	Favourable lease contracts E'000	Total E'000
2021 Company			
Gross carrying amount			
Balance at 1 April 2020	192 255	4 200	196 455
Additions	16 928	-	16 928
Disposals	-	(2 080)	(2 080)
Balance at 31 March 2021	209 183	2 120	211 303
Accumulated amortisation and impairment			
Balance at 1 April 2020	(111 858)	(1 521)	(113 379)
Impairment	(8 782)	-	(8 782)
Amortisation for the year	(17 962)	(112)	(18 074)
Disposals	-	1 080	1 080
Balance at 31 March 2021	(138 602)	(553)	(139 155)
Carrying value at 31 March 2021	70 581	1 567	72 148
2022 Company			
Gross carrying amount			
Balance at 1 April 2021	209 183	2 120	211 303
Additions	3 950	-	3 950
Disposals	(4 248)	-	(4 248)
Balance at 31 March 2022	208 885	2 120	211 005
Accumulated amortisation and impairment			
Balance at 1 April 2021	(138 602)	(553)	(139 155)
Amortisation for the year	(21 337)	(47)	(21 384)
Balance at 31 March 2022	(159 939)	(600)	(160 539)
Carrying value at 31 March 2022	48 946	1 520	50 466

An impairment loss of E nil (2021: E8 781 748) was recognised in respect of purchased software used for financial budgeting and reporting whose value-in-use was below the carrying amount of the asset. The full net book value of the financial budgeting and reporting software was impaired in the prior year.

11. Investments in subsidiaries

See accounting policies in note 40.1.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Mhlume Sugar Company Limited ("MSCo") (100% held) 5 000 006 ordinary shares of E1 each	-	-	664 964	664 964
Royal Swazi Distillers (Proprietary) Limited ("RSD") (100% held) 70 ordinary and 30 preference shares of R1 each	-	-	1 510	1 510
Swazican Citrus (Proprietary) Limited (100% held) 100 ordinary shares of E1 each	-	-	-	-
Total investments	-	-	666 474	666 474

Mhlume Sugar Company Limited is a company incorporated and domiciled in Eswatini and is involved in the growing, milling and refining of sugar.

Royal Swazi Distillers (Proprietary) Limited is a property owning company incorporated and domiciled in the Republic of South Africa.

Swazican Citrus (Proprietary) Limited is a dormant entity incorporated and domiciled in Eswatini that holds a long term lease over land where citrus and sugar growing activities are undertaken by the Group. The leases and management of the company has been ceded to the Company and are operated as part of the cane growing division.

12. Equity accounted investees

See accounting policies in note 40.1.

The Group has the following equity accounted investments:

Joint ventures

- Mananga Sugar Packers (Proprietary) Limited is a joint venture in which the Group has joint control and a 50% ownership interest. Mananga Sugar Packers (Proprietary) Limited, is a company registered and domiciled in Eswatini, whose principal business activity is the purchase of sugar from the Eswatini Sugar Association for packaging and then on selling under the “First” brand in Eswatini as well as in the Republic of South Africa (RSA).

Associates

- 25% equity interest in Simunye Plaza (Proprietary) Limited whose principal business activity is the leasing out of commercial property located in the Lowveld area of Eswatini. The Company owns 100 shares of E1 each at a cost of E100.
- 25% interest in Quality Sugars (Proprietary) Limited whose principal business activity is the marketing of sugar under agency agreements entered into between Mananga Sugar Packers (Proprietary) Limited, RCL Foods Sugar and Milling (Proprietary) Limited, which are related parties of the Group, and the Company. Pursuant to the agreements mentioned, 25% of the ordinary shares of Quality Sugars (Proprietary) Limited were transferred at no cost to the Company on 1 April 2012. Quality Sugars (Proprietary) Limited is registered and domiciled in the Republic of South Africa.

The following information is presented at Group level only as the investment at Company financial statement level, is carried at cost which is less than E1 000 for each of the associate companies.

	2022 Mananga Sugar Packers E’000	2021 Mananga Sugar Packers E’000	2022 Simunye Plaza E’000	2021 Simunye Plaza E’000	2022 Quality Sugars E’000	2021 Quality Sugars E’000	2022 Total E’000	2021 Total E’000
Group								
The carrying amount of the investments are analysed below:								
Shares at cost	52 500	52 500	-	-	-	-	52 500	52 500
Share of associate company reserves	124 904	114 817	5 273	4 725	11 966	11 764	143 143	131 306
	177 404	167 317	5 273	4 725	11 966	11 764	194 643	183 806
Summary of unaudited financial information for equity accounted investees is as follows:								
Property, plant and equipment	39 146	39 554	11 721	12 013	33 004	15 007	83 871	66 574
Goodwill	18 139	18 139	-	-	3 751	3 751	21 890	21 890
Current assets	388 167	369 524	12 387	8 163	674 101	596 914	1 074 655	974 601
Deferred tax (liabilities) / assets	(12 138)	(12 138)	106	311	2 175	1 935	(9 857)	(9 892)
Employee benefit liability	-	-	(238)	(212)	(1 061)	(992)	(1 299)	(1 204)
Lease Liability	-	-	-	-	(33 360)	(16 899)	(33 360)	(16 899)
Current liabilities	(78 506)	(80 446)	(2 884)	(1 375)	(630 748)	(552 661)	(712 138)	(634 482)
Net assets	354 808	334 633	21 092	18 900	47 862	47 055	423 762	400 588
Group’s share of associate’s net assets	177 404	167 317	5 273	4 725	11 966	11 764	194 643	183 806
Revenue	1 142 840	1 385 706	9 714	7 777	83 724	81 943	1 236 278	1 475 426
Profit	48 902	59 382	4 056	2 020	12 608	13 312	65 566	74 714
Group share of profit for the year	24 451	29 691	1 014	505	3 152	3 328	28 617	33 524
Reconciliation of carrying amounts								
Opening Balance at 1 April	167 317	147 208	4 725	4 478	11 764	11 686	183 806	163 372
Group share of profit for the year	24 451	29 691	1 014	505	3 152	3 328	28 617	33 524
Dividends received	(14 364)	(9 582)	(466)	(258)	(2 950)	(3 250)	(17 780)	(13 090)
Closing balance at 31 March	177 404	167 317	5 273	4 725	11 966	11 764	194 643	183 806

13. Biological assets

See accounting policies in note 40.7

13.1 Description of principal activities

Cane growing

The Group is engaged in the planting, management and harvesting of sugar cane and the manufacture of sugar in mills owned by the Group. The Group grows cane on approximately 21 655 (2021 – 21 107) hectares of land leased from Tibiyo TakaNgwane (refer note 8). The Group manages a further 796 (2021 – 796) hectares on behalf of Tibiyo Taka Ngwane.

Fields are managed on a sustainable basis which comprise an average 108 month rotation. All growing cane is harvested in the following financial year.

The Company grows cane on approximately 12 241 (2021 – 12 255) hectares of land leased from Tibiyo TakaNgwane and 31 (2021 – 31) hectares on freehold land.

Livestock rearing

The group runs a livestock business through Mhlume Sugar Company, which involves farming of livestock and sale of meat products in the local and regional markets. At 31 March 2022, the partnership held 3 875 (2021 – 3 245) head of cattle.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
13.2 Reconciliation of carrying amounts of growing cane				
Carrying amount at 1 April	747 915	599 124	432 628	436 608
Gain arising from changes in fair values less estimated costs to sell attributable to physical changes	19 577	(7 890)	22 602	(41 321)
Gain arising from changes in fair values less estimated costs to sell attributable to price changes	48 780	119 625	30 555	74 397
Acquisition/(disposal)	-	37 056	-	(37 056)
Balance at 31 March	816 272	747 915	485 785	432 628
13.3 Reconciliation of carrying amounts of livestock				
Balance at 1 April	19 178	9 620	-	9 620
Purchases – normal business	6 073	7 228	-	2 110
Purchases through business acquisition	-	10 446	-	-
Net increase due to births, deaths and fair value adjustment	5 025	5 727	-	5 131
Decrease due to sales	(11 653)	(13 843)	-	(6 415)
Decrease due to business disposal	-	-	-	(10 446)
Balance at 31 March	18 623	19 178	-	-

13.4 Risk management strategy related to agricultural activities

The Group is exposed to the following risks relating to its agricultural activities.

Regulatory and environmental risks

The Group is subject to laws and regulations in countries in which it operates. The Group has established environmental policies and procedures aimed at compliance with local environmental and other laws.

Pricing and Currency risks

The Group is exposed to financial risks arising from changes in sugar prices and the exchange rate between the Euro, the United States Dollar and the Lilangeni. These risks, however, occur at industry level as all sugar produced by the sugar mills is sold to the Eswatini Sugar Association which is then responsible for onward sale to local and foreign customers. The Eswatini Sugar Association does enter into derivative contracts to manage the risk of fluctuations in exchange rates.

Climate and other risks

The Group's sugar cane plantations are exposed to the risk of damage from climatic changes, diseases, and other natural forces. The Group has extensive processes in place aimed at monitoring and mitigating those risks, including water management strategies, use of best practice farming techniques and regular pest and disease surveys.

13.5 Biological assets pledged as security

Growing cane is pledged as security over borrowings (note 19.8)

13. Biological assets *(continued)*

13.6 Measurement of fair value

The fair value measurements for Growing cane and livestock have been categorised as level 3 fair values based on the inputs to valuation model used. (see note below).

Level 3 fair values

The following table shows a reconciliation from the opening balances to the closing balances for level 3 fair values.

	Group			Company		
	Growing cane E'000	Livestock E'000	Total E'000	Growing cane E'000	Livestock E'000	Total E'000
Carrying amount at 1 April 2021	747 915	19 178	767 093	432 628	-	432 628
Purchases	-	6 073	6 073	-	-	-
Sales	-	(11 653)	(11 653)	-	-	-
Gain included in profit or loss						
- Change in fair value (unrealised)	68 357	-	68 357	53 157	-	53 157
- Net increase due to births, deaths and fair value adjustment	-	5 025	5 025	-	-	-
Carrying amount at 31 March 2022	816 272	18 623	834 895	485 785	-	485 785

The following table shows the valuation techniques used in measuring fair values, as well as the significant unobservable inputs used.

Type	Valuation Technique	Significant unobservable inputs	Inter-relationship between key unobservable inputs and fair value measurements
Growing cane	The estimated sucrose content valued at the estimated sucrose price for the following season, less the estimated costs for harvesting and transport charged to the mill.	• Estimates of yields per hectare of cane (90tc/h to 115tc/h). In a drought year this range of estimates can be significantly negatively affected. • Estimated contents of sucrose in cane (13% to 14.5%). • Harvest age (8-12 months). • Future sugar prices in destination markets (-10% to +10%). • Exchange rate fluctuations (-10% to +10%).	The estimated fair value would increase/ (decrease) if: • Exchange rates are (firmer)/ weaker; • Crop was harvested (younger)/ older; • Yields improve/ (reduce); • Market prices improve/ (reduce); or • Sucrose content increases/ (decreases).
Livestock	The market price of livestock of similar age, breed and genetic make-up.	• Premiums on the classification of livestock. • Premiums for quality depending on the physical attributes of the livestock.	The estimated fair value would increase/ (decrease) if: • More or (less) livestock were classified as breeders; • Livestock prices increased or (decreased); or • Weight and quantity premiums increase or (decrease).

14. Inventories

See accounting policies in note 40.8

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Consumables stores and spares	160 841	152 642	83 662	88 477
Finished goods and by products	13 717	4 236	12 849	3 246
	174 558	156 878	96 511	91 723
Write down of obsolete consumable stores and spares to net realisable value included in profit or loss	11 343	8 033	3 478	3 749

The full value of the carrying amounts of inventories as at reporting date are pledged as security over borrowings (note 19.8)

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000

15. Trade and other receivables

See accounting policies in note 40.3

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Trade receivables	239 481	181 515	141 921	99 276
Related party receivables (note 38.1)	1 127	2 096	88 875	1 407
Prepayments	89 661	69 259	70 276	58 892
Other receivables	2 240	2 447	379	1 751
Less: impairment (note 37.3)	(1 822)	(1 814)	(954)	(920)
	330 687	253 503	300 497	160 406

The full value of the carrying amounts of receivables as at reporting date are pledged as security over borrowings (note 19.8)

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 37.3.

16. Cash and cash equivalents

See accounting policies in note 40.3

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Bank balances	58 844	61 901	43 647	52 945
Cash on hand	407	133	52	53
Call deposit	12 652	292 210	6 290	217 227
	71 903	354 244	49 989	270 225
Bank overdraft	-	-	-	-
Per statement of cash flows	71 903	354 244	49 989	270 225

Bank overdrafts are payable on demand and used for cash management purposes. Accordingly, bank overdrafts are classified as cash and cash equivalents for purposes of the statement of cash flows

No impairment has been raised against cash and cash equivalents since cash and cash equivalents comprise moneys deposited with reputable financial institutions

17. Share capital and premium

17.1 Share capital and premium

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Authorised				
140 100 000 "A" Ordinary shares of E1 each	140 100	140 100	140 100	140 100
8 073 160 "B" Ordinary shares of E5 each	40 366	40 366	40 366	40 366
	180 466	180 466	180 466	180 466
Issued and fully paid				
88 273 160 "A" Ordinary shares of E1 each	88 273	88 273	88 273	88 273
8 073 160 "B" Ordinary shares of E5 each	40 366	40 366	40 366	40 366
	128 639	128 639	128 639	128 639
Share premium	632 379	632 379	632 379	632 379
	761 018	761 018	761 018	761 018

The "A" and "B" ordinary shares rank pari passu in all respects. The directors of the Company are authorised to issue un-issued shares.

The holders of ordinary shares are entitled to receive ordinary dividends as declared from time to time, and are entitled to one vote per share at meetings of the Company.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
17.2 Preference share redemption reserve	78 104	78 104	78 104	78 104

An amount equivalent to the redemption value of the previous "A" and "B" non-cumulative redeemable preference shares was transferred to the Preference Share Redemption Reserve at each redemption.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
17. Share capital and premium *(continued)*				
17.3 Dividends				
1st Interim dividend for the year ended 31 March 2022 of 125.0 cents (2021 – 84.4 cents) per "A" and "B" ordinary shares.	120 433	81 316	120 433	81 316
2nd Interim dividend for the year ended 31 March 2022 of nil cents (2021 – 61.5 cents) per "A" and "B" ordinary shares.	-	59 253	-	59 253
Final dividend for the year ended 31 March 2022 of 67.9 cents (2021 – 108.6 cents) per "A" and "B" ordinary shares.	65 419	104 632	65 419	104 632
	185 852	245 201	185 852	245 201

Dividends will have the following tax consequences:

- Local residents with-holding tax amounting to 10% of dividend declared, if shareholder is an individual.
- Non resident with-holding tax amounting to 12.5% if shareholder is a company holding less than 25%.
- Non resident with-holding tax amounting to 10% if shareholder is a company holding more than 25%.
- Non resident with-holding tax amounting to 15% if shareholder is an individual.

18. Capital management

The Board's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. Capital consists of ordinary shares, share premium, preference share redemption reserve and retained earnings. The Board of Directors monitors return on shareholders' equity and the level of dividends to ordinary shareholders.

The Board seeks to maintain a balance between the higher returns that might be possible with higher levels of borrowings and the advantages and security afforded by a sound capital position, represented by shareholders' equity. The Group's target is to achieve a return on shareholders' equity of 15 percent, calculated as total comprehensive income for the year attributed to owners of the Company divided by shareholders' equity. For the current year, the return on shareholders' equity achieved was 11.6% (2021 – 20.4%). The Board of Directors implement long term strategies to ensure that the Group target is achieved over the longer term. Management and staff performance bonuses are linked to the achievement of targets.

There were no changes in the Group's approach to capital management during the year.

The amounts managed as capital by the Group for the reporting period under review are summarised as follows:

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Total equity	2 602 365	2 485 595	2 012 826	1 931 693
Capital	2 602 365	2 485 595	2 012 826	1 931 693
Total equity	2 602 365	2 485 595	2 012 826	1 931 693
Loans and borrowings	354 786	274 732	117 786	62 857
Leasing liabilities	8 593	10 684	5 606	7 744
Overall financing	2 965 744	2 771 011	2 136 218	2 002 294
Capital - to - overall financing ratio	88%	90%	94%	96%

The Group monitors capital on the basis of the carrying amount of equity as presented in the consolidated financial statements. The Group has maintained good capital ratios.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
19. Loan and borrowings				
19.1 Standard Bank Eswatini Limited The loan is repayable in 16 half-yearly instalments that commenced on 30 September 2018. The loan bears interest at the Eswatini prime rate, currently 7.5%, less 1% (2021: 7.25%, less 1%).	77 500	96 876	-	-
19.2 Nedbank Eswatini Limited The loan is repayable in 14 half-yearly instalments that commenced on 30 September 2019. The loan bears interest at the Eswatini prime rate, currently 7.5% less 1% (2021: 7.25%, less 1%).	114 286	142 857	50 286	62 857
19.3 First National Bank of Eswatini Limited The loan is repayable in 10 half-yearly instalments, commencing on 30 September 2021. The loan bear interest at the Eswatini prime rate, currently 7.5%, less 1% (2021: 7.25%, less 1%).	28 000	35 000	-	-
19.4 Aluwani Fund Managers The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2022. The loan bears interest at the Eswatini prime rate, currently 7.5%, less 1.5%.	67 500	-	-	-
19.5 Nedbank Eswatini Limited The loan is repayable in 14 half-yearly instalments, commencing on 30 September 2022. The loan bears interest at the Eswatini prime rate, currently 7.5%, less 1%.	67 500	-	67 500	-
19.6 Leases Leases relate to land, buildings and computer equipment that are accounted for under IFRS16.	8 593	10 684	5 606	7 744
	363 379	285 417	123 392	70 601
Deduct: current portion included in current liabilities	(76 890)	(57 103)	(24 627)	(14 675)
Total non-current loans and borrowings	286 489	228 314	98 765	55 926

	Bank overdrafts used for cash management purposes		Other loans and borrowings		Leases	
	2022 E'000	2021 E'000	2022 E'000	2021 E'000	2022 E'000	2021 E'000
19.7 Reconciliation of movements of liabilities to cash flows arising from financing activities						
Group						
Balance at 1 April	-	-	274 733	287 679	10 684	11 485
Non-cash Additions	-	-	-	-	100	3 111
- *Changes from financing cash flows*						
Proceeds from loans and borrowings	-	-	135 000	35 000	-	-
Repayment of borrowings	-	-	(54 947)	(47 946)	(2 191)	(3 912)
Total changes from financing cash flows	-	-	354 786	274 733	8 593	10 684
- *Other changes*						
Interest expense	12	168	20 102	17 820	823	883
Interest paid	(12)	(168)	(20 102)	(17 820)	(823)	(883)
Total liability-related other changes	-	-	-	-	-	-
Balance at 31 March	-	-	354 786	274 733	8 593	10 684

19. Loan and borrowings *(continued)*

19.7 Reconciliation of movements of liabilities to cash flows arising from financing activities (continued)

	Bank overdrafts used for cash management purposes		Other loans and borrowings		Leases	
	2022 E'000	2021 E'000	2022 E'000	2021 E'000	2022 E'000	2021 E'000
Company						
Balance at 1 April	-	-	62 857	75 429	7 744	11 485
Non-cash Additions	-	-	-	-	-	153
- *Changes from financing cash flows*						
Proceeds from loans and borrowings	-	-	67 500	-	-	-
Repayment of borrowings	-	-	(12 571)	(12 572)	(2 138)	(3 894)
Total changes from financing cash flows	-	-	117 786	62 857	5 606	7 744
- *Other changes*						
Interest expense	8	32	4 743	4 674	637	821
Interest paid	(8)	(32)	(4 743)	(4 674)	(637)	(8213)
Total liability-related other changes	-	-	-	-	-	-
Balance at 31 March	-	-	117 786	62 857	5 606	7 744

19.8 Loans and Overdraft securities

The loans and overdraft facilities of the Company and its subsidiary, Mhlume Sugar Company Limited are secured by:

- Deed of hypothecation for E165 million in favour of Standard Bank Eswatini Limited;
- Deed of hypothecation for E390.5 million in favour of Nedbank Eswatini Limited;
- Deed of hypothecation for E35 million in favour of First National Bank of Eswatini Limited;
- Deed of hypothecation for E67.5 million in favour of Aluwani Fund Managers;
- Unlimited cross guarantees between the Company and Mhlume Sugar Company Limited;
- Security sharing agreement covering co-funding of Integrated Growth Programme and ranking pari passu with lenders.
- All the above deeds of hypothecation are over all moveable and incorporeal assets of the group.

20. Employee benefit liabilities

See accounting policies in note 40.11

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Retirement pay	63 917	70 704	47 859	48 358
Long service awards	11 120	11 921	8 050	8 581
Actuarially valued employee benefit liabilities	75 037	82 625	55 909	56 939
Long term incentive scheme	51 077	54 027	29 114	30 783
Total employee benefit liabilities	126 114	136 652	85 023	87 722
Deduct: current portion included in current liabilities (note 23)	(27 814)	(28 382)	(15 854)	(16 178)
	98 300	108 270	69 169	71 544

Retirement pay

The Group has arrangements which exist in respect of certain employees by which eligible employees receive benefits based on the length of permanent service. These benefits are unfunded and are only payable to eligible employees on retirement. The liability is based on an actuarial valuation performed at year end. These are in addition to defined contribution funds as detailed in note 32.

Long service awards

The long service awards amount is based on an actuarial valuation. The amounts are unfunded and are payable on the anniversary date of employees achieving ten, twenty, thirty or forty years continuous service.

Long term incentive scheme

The long term incentive scheme amounts are based on scheme rules as approved by the remuneration committee and is payable over three years on condition that certain targets are achieved. The amounts are not discounted.

An actuarial valuation of the retirement pay and long service awards was performed as at 31 March 2022. The actuarially valued liabilities are accordingly reported as follows at 31 March 2022:

20. Employee benefit liabilities *(continued)*

	2022 Retirement pay E'000	2022 Long service awards E'000	2022 Total E'000	2021 Retirement pay E'000	2021 Long service awards E'000	2021 Total E'000
Group						
Retirement pay and long service award obligations						
The amount recognised in the statement of financial position is determined as follows:						
Present value of obligation	63 917	11 120	75 037	70 704	11 921	82 625
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	63 917	11 120	75 037	70 704	11 921	82 625
Movement in present value of the obligation:						
Opening liability	70 704	11 921	82 625	67 895	12 486	80 381
Included in profit or loss:						
- Current service cost	3 579	1 154	4 733	3 328	1 136	4 464
- Past service cost	-	-	-	-	-	-
- Interest cost	6 227	1 079	7 306	6 281	1 047	7 328
- Actuarial (gain)/loss recognised	-	(867)	(867)	-	(1 042)	(1 042)
	80 510	13 287	93 797	77 504	13 627	91 131
Included in OCI:						
- Actuarial gain recognised	(6 400)	-	(6 400)	(2 571)	-	(2 571)
Other:						
- Benefits paid	(10 193)	(2 167)	(12 360)	(4 229)	(1 706)	(5 935)
Closing liability	63 917	11 120	75 037	70 704	11 921	82 625
Company						
Retirement pay and long service awards obligations						
The amount recognised in the statement of financial position is determined as follows:						
Present value of obligation	47 859	8 050	55 909	48 358	8 581	56 939
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	47 859	8 050	55 909	48 358	8 581	56 939
Movement in present value of the obligation:						
Opening liability	48 358	8 581	56 939	46 216	9 000	55 216
Included in profit or loss:						
- Current service cost	2 559	814	3 373	2 351	824	3 175
- Past service cost	-	-	-	-	-	-
- Interest cost	4 452	777	5 229	4 289	755	5 044
- Actuarial (gain)/ loss recognised	-	(607)	(607)	-	(759)	(759)
	55 369	9 565	64 934	52 856	9 820	62 676
Included in OCI:						
- Actuarial gain recognised	(4 610)	-	(4 610)	(1 805)	-	(1 805)
Other:						
- Benefits paid	(2 900)	(1 515)	(4 415)	(2 693)	(1 239)	(3 932)
Closing liability	47 859	8 050	55 909	48 358	8 581	56 939

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
The principal actuarial assumptions used were as follows:				
Discount rates	10.20%	9.00%	10.20%	9.00%
Future salary increases	5.50%	5.50%	5.50%	5.50%

The gain on the defined benefit obligation is mostly a result of the change in economic assumptions. The demographic factors have remained relatively constant.

20. Employee benefit liabilities *(continued)*

20.1 Effect of changes in significant actuarial assumptions

The following table summarises the effect of significant changes in the key actuarial assumptions on the retirement pay and long service awards.

	2022		2021	
	1% Increase E'000	1% Decrease E'000	1% Increase E'000	1% Decrease E'000
Group				
Discount Rate				
Retirement plan	(4 662)	5 265	(5 204)	5 906
Long Service Award	(619)	687	(678)	757
Salary Increase	6 883	(6 123)	6 757	(5 995)
Retirement plan	909	(826)	841	(765)
Long Service Award				
Company				
Discount Rate				
Retirement plan	(3 358)	3 793	(3 743)	4 264
Long Service Award	(451)	501	(494)	552
Salary Increase				
Retirement plan	4 928	(4 380)	4 838	(4288)
Long Service Award	659	(599)	611	(555)

The present value of the defined benefit obligation has been calculated with the same method as the retirement pay and long service awards recognised in the consolidated statement of financial position. The sensitivity analyses are based on a change in one assumption while not changing all other assumptions. This analysis may not be representative of the actual change in the obligation as it is unlikely that the change in assumptions would occur in isolation of another as some of the assumptions may be correlated.

21. Derivative Financial Instruments – Fair Values

See accounting policies in note 40.3

The Group's derivative financial instruments are in respect of an interest rate hedge and are measured at fair values and are summarised below.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Interest rate hedge				
Opening balance 01 April	-	-	-	-
Additions – initially recognised loss	10 722	-	2 881	-
Payments - cashflows	(3 036)	-	(795)	-
Changes in fair value gain recognised in statement of profit and loss	(2 935)	-	(840)	-
Closing balance at 31 March	4 751	-	1 246	-
Current portion of interest rate hedge	(2 352)	-	(617)	-
Long term portion of interest rate hedge	2 399	-	629	-

An interest rate hedge was entered into covering the period from 11 June 2021 to 31 March 2025. The instrument covers the Standard Bank loan (note 19.1) and the Nedbank Loans (note 19.2) at a fixed rate of 7.86%. At the time the interest rate hedging instrument was recognised, the loans were bearing interest at Eswatini Prime 7.25 less 1% (6.25%).

The hedge effectiveness is determined at inception of the hedge relationship and every reporting period end through assessment of the hedged items and hedging instruments to determine whether there is still an economic relationship between the two. The hedged items are denominated in Eswatini Emalangeni and the hedging instruments is denominated in South African Rand which is currently at par with the Eswatini Emalangeni hence the ratio is one on one until such time as the Eswatini Emalangeni is delinked from the South African Rand. All derivative financial instruments are initially measured at fair value and reported subsequently at fair value in the statement of financial position.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
22. Trade and other payables				
See accounting policies in note 40.3				
Trade payables	353 646	288 571	199 317	167 606
Contract liabilities ethanol	10 580	7 668	10 580	7 668
Related party payables (note 38.1)	15 279	16 020	21 830	86 585
Retentions	7 161	-	5 087	-
FEC Liability	310	-	310	-
Tenants deposits	3 597	3 404	1 277	1 280
Other payables	4 104	4 352	2 408	3 489
	394 677	320 015	240 909	266 628
23. Short term employee benefits				
See accounting policies in note 40.11				
Employee bonuses	35 776	82 718	20 599	47 944
Leave pay accrual	27 228	25 081	15 309	14 296
Employee accruals	2 147	5 386	2 147	1 104
	65 151	113 185	38 055	63 344
Current portion of long-term employee benefits (note 20)	27 814	28 382	15 854	16 178
	92 965	141 567	53 909	79 522

24. Bank overdraft

Bank overdraft facilities of the Company (E66 million) and its subsidiary, Mhlume Sugar Company Limited (E20 million) are unsecured.

25. Revenue

25.1 Revenue streams

The Group generates external revenue primarily from the sale of sugar to one customer, the Eswatini Sugar Association and the sale of various grades of ethanol to a limited number of customers locally and internationally. Sucrose deliveries by farms under a particular company in the Group to a sugar mill in another company in the Group result in intersegment sucrose sales. Other sources of revenue include seed cane sales, harvesting services, citrus sales, butchery sales and tourism and ecotourism revenue.

25.2 Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by stream, and within each stream geographical market if appropriate, or else by subset of each stream. The segment to which each revenue stream is attached to is also indicated.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
25. Revenue *(continued)*				
25.2 Disaggregation of revenue from contracts with customers *(continued)*				
Sucrose and sugar sales - Eswatini				
Inter group sucrose sales for the year	-	-	77 804	163 519
Final sucrose price adjustment for the previous year based on final sugar price	-	-	49	1 872
Sale of sugar for the year	3 232 351	3 295 172	1 641 461	1 668 445
Final sugar price adjustment for previous year from Eswatini Sugar Association	5 806	36 897	(1 131)	19 135
Total sugar sales – sugar segment	3 238 157	3 332 069	1 718 183	1 852 971
Ethanol sales				
Eswatini and South Africa	159 231	142 655	159 231	142 655
Regional	50 781	49 937	50 781	49 937
Europe	88 284	175 384	88 284	175 384
Asia	42 501	35 408	42 501	35 408
Total ethanol sales – ethanol segment	340 797	403 384	340 797	403 384
Other sales - Eswatini				
Seedcane and harvesting services – Cane segment	8 980	11 098	266	1 824
Citrus and Beans	8 571	8 916	8 571	8 491
Butchery, leisure and ecotourism	31 030	21 406	-	9 478
All other operations not meeting segment criteria	39 601	30 322	8 571	17 969
Total other sales	48 581	41 420	8 837	19 793
Revenue total	3 627 535	3 776 873	2 067 817	2 276 148
25.2 Disaggregation of revenue by geographic region				
In the following table, revenue from contracts with customers is disaggregated by geographical market.				
Revenue by geographic market				
Eswatini	3 291 954	3 383 089	1 732 236	1 882 364
South Africa	154 015	133 055	154 015	133 055
Regional	50 781	49 937	50 781	49 937
Europe	88 284	175 384	88 284	175 384
Asia	42 501	35 408	42 501	35 408
Total Revenue	3 627 535	3 776 873	2 067 817	2 276 148

25. Revenue *(continued)*

25.3 Performance obligations and revenue recognition policies

Revenue is measured based on the consideration specified in a contract with a customer. The Group recognises revenue when it transfers control over a good or service to a customer. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies. Due to the nature of the turnaround nature of the revenue transactions, the price as designated in the contract is used for each of the transactions shown in the table below.

Type of product/ service	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue recognition policies
Sucrose sales	Customer, being the sugar mill receiving the cane, obtains control of sucrose when the sugar cane passes the incoming sugar cane weighbridge, is crushed and subjected to laboratory assessment. Quantities are aggregated weekly and invoiced as such. Sucrose sales occur during the sugar production period which runs from April to December each year. Invoices are settled immediately via intercompany transactions.	Revenue is recognised when weekly sucrose production, as determined by the laboratory, has been reconciled to cane tonnage that passed the cane weighbridge. There are generally no sucrose sales at year end.
Sugar	The sole customer, the Eswatini Sugar Association, obtains control of sugar when the sugar passes the sugar scale located at the end of the production line. Quantities are agreed with the customer on a weekly basis and accordingly billed on a weekly basis. Sugar sales occur during the sugar production period which runs from April to December each year. Invoices are usually payable within 7 days. No discounts are offered.	Revenue is recognised when weekly sugar production that passed the scale has been agreed and reconciled with the customer. The transaction price includes a sugar price retention accrual which is finalised and settled in the following year, as a final price for the preceding year. There are generally no sugar sales at year end.
Ethanol	Customers obtain control of ethanol when the goods are delivered to the point where the risks and rewards associated with ownership are transferred. This may be on a FOB or CIF basis. Other sales are on an ex-works basis. Invoices are generated at that point in time. Invoices are usually prepaid save for select customers where payment is expected within 30 days. No discounts are provided. Customers may return goods that do not meet the required specification. Returned product is exchanged for new product. This is however an exceptionally rare occurrence in the Group due to stringent quality control systems.	Revenue is recognised when the goods are delivered to the point that the significant risk and rewards as determined by accepted contract law, pass to the customer. This may be on an ex-mill, FOB, or CIF basis. Any advance payments received from customers prior to delivery of goods are classified as contract liabilities and recognised under trade and other payables. Once the performance obligations are satisfied, these liabilities are recognised as revenue. For contracts that permit the customer to return the product, revenue is recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. Historically, the frequency of this has been rare and the amounts involved have been immaterial, hence no refund liability nor a right to recover returned goods asset has been recognised.
Other sales	Customers obtain control of product at the point of sale, e.g. over the counter meat sales, or when the goods are delivered to and have been accepted at their premises as with Citrus sales. Harvesting and ecotourism revenue is recognised when the services are rendered and accepted by the customers. Harvesting services are rendered at customer premises while ecotourism services are consumed in the Groups facilities. Invoices are generated at that point in time. Apart from cash sales, invoices are usually payable within 30 days. No discounts are provided. No contracts permit the customer to return an item.	Revenue is recognised when the goods or services are delivered or provided and have been accepted by customers either at the point of sale or at their premises.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
26. Other income				
Dividends received	-	-	72 236	140 202
Rental income	34 899	26 020	16 229	16 088
Management fees	16 168	14 609	6 228	5 244
Sugar toll income	-	4 379	-	4 379
Sundry sales of molasses	157	449	-	-
School fees	8 114	6 959	4 625	3 967
Consumable sales	11 424	10 095	5 939	5 118
Scrap sales, canteen, clinic and sundry	8 062	7 165	5 123	4 901
	78 824	69 676	110 380	179 899
27. Operating profit				
The operating profit for the year is stated after charging/(crediting) the following:				
Auditors' remuneration				
- current year	1 043	1 025	595	584
- prior year	1 082	1 515	589	944
- other services	552	392	272	223
- disbursements	890	560	802	337
Amortisation of intangible assets (note 10)	21 562	18 252	21 384	18 074
Depreciation of property, plant and equipment (note 8)	220 563	193 719	120 115	115 870
Impairment of Intangible assets (note 10)	-	8 782	-	8 782
Directors' emoluments				
- for services as directors	3 934	4 311	3 934	4 311
- expenses	662	320	662	320
Lease expense	3 746	2 423	3 147	1 949
Loss/(gain) on disposal of property, plant and equipment	130	(1 288)	15	(693)
Loss on disposal of intangible asset	4 248	-	4 248	-
Loss on disposal business	-	-	-	36 258
28. Employee benefit expenses				
Salaries, wages, and incentive scheme accruals	836 660	806 505	434 805	434 686
Contributions to defined contribution plans	36 547	32 763	18 809	17 358
Expense related to defined benefit plan (note 20)	12 039	11 792	8 602	8 219
Increase in liability for leave pay	8 018	10 019	4 508	5 707
	893 264	861 079	466 724	465 970
29. Net finance income				
Interest income on cash and cash equivalents	20 693	31 376	15 358	21 542
Net foreign exchange (loss)/gain	-	231	-	339
Finance income	20 693	31 607	15 358	21 881
Interest expense on financial liabilities measured at amortised cost	(24 865)	(17 989)	(7 167)	(5 792)
Interest on leases	(823)	(883)	(636)	(821)
Net foreign exchange loss	(5 990)	-	(6 087)	-
Finance cost	(31 768)	(18 872)	(13 890)	(6 613)
Net finance (cost)/income recognised in profit or loss	(10 985)	12 735	1 468	15 268
29.1 Finance cost for statement of cash flows				
Finance costs recognised in profit or loss	(31 678)	(18 872)	(13 890)	(6 613)
Less derivative interest accrued (note 21)	4 751	-	1 246	-
Finance cost paid	(26 927)	(18 872)	(12 644)	(6 613)

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
30. Income taxes				
30.1 Amounts recognised in profit or loss				
Current tax expense				
Eswatini current tax				
- current year	47 523	151 430	47 006	107 569
	47 523	151 430	47 006	107 569
Deferred tax				
- origination and reversal of temporary differences	57 792	34 003	27 564	11 936
	57 792	34 003	27 564	11 936
Total tax expense	105 315	185 433	74 570	119 505
30.2 Amounts recognised in OCI				
Deferred tax charge on measurement of defined benefit liability	1 760	707	1 268	496
30.3 Tax rate reconciliation				
	%	%	%	%
Tax using the domestic tax rate	27.5	27.5	27.5	27.5
Tax effect of:				
- Share of profit of equity-accounted investees reported net of tax	(0.7)	(0.8)	-	-
- Tax-exempt dividend income	(1.2)	(0.5)	(5.9)	(7.4)
- Non-deductible expense items	0.5	0.7	0.4	0.6
- Loss on sale of partnership	-	1.6	-	2.2
- Gain on bargain purchase	-	(1.7)	-	-
Tax expense as a percentage of profit before income tax	26.1	26.8	22.0	22.9
30.4 Recognised deferred tax assets and liabilities				
Deferred tax assets				
Tax losses	31 559	-	-	-
Property, plant and equipment	33	60	-	-
Inventories	3 119	2 209	957	1 031
Defined benefit obligations	18 422	20 362	13 161	13 298
Employee bonuses, employee leave and other provisions	34 177	47 177	20 685	28 256
FEC liability	85	-	85	-
Income in advance	2 909	1 954	2 909	1 954
Finance lease liability	2 363	2 938	1 542	2 129
Customer provisions and deposits	1 525	1 480	661	635
Other Provisions	230	-	230	-
Deferred tax assets before set off	94 422	76 180	40 230	47 303
Set off against deferred tax liabilities	(94 389)	(76 120)	(40 230)	(47 303)
Deferred tax asset after set off	33	60	-	-
Deferred tax liabilities				
Property, plant and equipment	317 906	274 385	175 477	172 529
Intangible assets	418	431	418	431
Biological assets	289 124	261 731	161 063	146 632
Lease receivable	68	-	-	-
Agricultural consumable stores	10 001	7 884	4 425	3 915
Prepayments	22 264	18 749	18 772	16 086
Unrealised currency gains	1 260	67	1 259	62
Deferred tax liabilities before set off	641 041	563 247	361 414	339 655
Deferred tax assets set off	(94 389)	(76 120)	(40 230)	(47 303)
Deferred tax liabilities after set off	546 652	487 127	321 184	292 352
Overall net deferred tax liabilities	546 619	487 067	321 184	292 352

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
30. Income taxes *(continued)*				
30.4 Recognised deferred tax assets and liabilities *(continued)*				
Movement in net deferred tax liability				
Opening net deferred tax liability	487 067	417 510	292 352	279 959
Tax on acquisition of intangible assets	-	34 886	-	-
Tax on disposal of business	-	(39)	-	(39)
Recognised in profit or loss (note 30.1)	57 792	34 003	27 564	11 936
Recognised in OCI (note 30.2)	1 760	707	1 268	496
Closing net deferred tax liability	546 619	487 067	321 184	292 352

31. Earnings per share

Group basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E297 982 464 (2021: E505 703 680) and 96 346 320 (2021: 96 346 320) weighted ordinary shares in issue.

Company basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E263 642 973 (2021: E401 468 924) and 96 346 320 (2021: 96 346 320) weighted ordinary shares in issue.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Basic and diluted earnings per share (cents)	309.3	524.9	273.6	416.7

Due to the fact that there are no potential diluted instruments, basic and diluted earnings per share are the same.

32. Retirement benefit information

The Group provides retirement benefits for most of its employees through defined contribution plans which are managed through various funds. All permanent employees are members of pension or provident funds. The funds are funded by company and employee contributions. Company contributions are charged to profit or loss as they are due to be settled. (refer note 28).

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
33. Capital commitments				
Approved by the directors:				
Contracted for	130 604	35 289	100 821	27 458
Not contracted for	704 776	715 425	263 701	483 203
	835 380	750 714	364 522	510 661

The capital expenditure to acquire property, plant and equipment will be funded by a combination of own generated funds and facilities negotiated with a number of banks and will be incurred in the next and subsequent financial years.

34. Contingent liabilities

As part of the banking facilities the Company and its subsidiary, Mhlume Sugar Company Limited are liable for the following guarantees:

	Company		Subsidiary	
	2022 E'000	2021 E'000	2022 E'000	2021 E'000
Eswatini Government – Labour	60	60	75	75
Eswatini Government – General Bond	70	70	6	6
Eswatini Revenue Authority – Customs and Excise	8 500	8 500	-	-
South African Revenue Service – VAT	550	550	-	-
European Union – € nil (2021 - €1 804 612)	-	26 230	-	-
Transnet	50	50	-	-

34. Contingent liabilities *(continued)*

The Company is defending a number of actions brought by former employees and suppliers. Liability is not admitted and the Company will defend itself against the actions. Due to the nature of the claims a realistic estimate of the potential liability and legal costs is not practical. The directors are of the opinion that the total costs, if any, would not be material.

There are no other contingent liabilities in the associates and joint ventures that the Group has interests in.

Bank overdraft facilities are secured by cross guarantees for an unlimited amount between the Company, Mhlume Sugar Company Limited and Royal Swazi Distillers (Proprietary) Limited.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
35. Notes to the statement of cash flows				
35.1 Taxation paid				
Balance owing/ (prepaid) at 1 April	24 336	936	29 633	1 799
-Taxation prepaid	(5 297)	(863)	-	-
-Taxation due	29 633	1 799	29 633	1 799
Current tax charge per statement of comprehensive income (note 30.1)	47 523	151 430	47 006	107 569
Balance (owing)/prepaid at 31 March	(3 998)	(24 336)	(25 258)	(29 633)
-Taxation prepaid	21 259	5 297	-	-
-Taxation due	(25 257)	(29 633)	(25 258)	(29 633)
Cash amount paid	67 861	128 030	51 381	79 735
Dividends paid				
Balance at 1 April	104 632	66 200	104 632	66 200
Declared during the year (note 17.3)	185 852	245 201	185 852	245 201
Balance at 31 March	(65 418)	(104 632)	(65 418)	(104 632)
Cash amount paid	225 066	206 769	225 066	206 769

36. Interests in joint operations

36.1 IYSIS/MSCO Sugar joint operation

The Group, through its subsidiary Mhlume Sugar Company Limited ("MSCo"), previously held a 20% interest in the dissolved IYSIS/MSCO Sugar Partnership, whereby MSCo managed the growing of sugar cane on behalf of and on land leased by Inyoni YaseSwatini Irrigation Scheme ("IYSIS") in return for a 20% share of all profits or losses derived from operations (see note 6 and note 38 for further details of the transaction).

The consolidated results include the following amounts accrued between 01 April 2020 and 30 November 2020 relating to the Group's effective interest in the joint operation:

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Statement of comprehensive income				
Share of pre-tax operating profit*	-	16 988	-	-
Statement of financial position				
Non-current assets	-	-	-	-
Current assets	-	-	-	-
Current liabilities	-	-	-	-

**The Partnership was not a taxable entity hence no tax was provided for in the financial statements of the Partnership. The Partnership does not present cash flow information as all cash flows are borne by a subsidiary company in terms of the management agreement.*

36. Interests in joint operations *(continued)*

36.2 Inyoni YaseSwatini Irrigation Scheme ("IYSIS")

The Company previously held 50% interest in the dissolved Inyoni YaseSwatini Irrigation Scheme. This was a partnership with operations in the lowveld of Eswatini (see note 6 and note 38 for further details of the transaction).

The results include the following amounts relating to the Company's interest in the partnership:

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
Statement of comprehensive income				
Share of pre-tax operating profit*	-	16 213	-	16 213
Statement of financial position				
Non-current assets	-	-	-	-
Current assets	-	-	-	-
Non-current liabilities	-	-	-	-
Current liabilities	-	-	-	-
Interest in partnership equity	-	-	-	-
Statement of cash flows				
Cash generated by operating activities	-	12 899	-	12 899
Cash outflows from investing activities	-	(5 605)	-	(5 605)
	-	7 294	-	7 294
Distribution of profits to partners	-	(8 003)	-	(8 003)
Net (decrease)/increase in cash and cash equivalents	-	(709)	-	(709)
Cash and cash equivalents at beginning of the year	-	709	-	709
Cash and cash equivalents at end of the year	-	-	-	-

**The Partnership was not a taxable entity hence no tax was provided for in the financial statements of the Partnership*

37. Financial instruments – Fair values and risk management

37.1 Accounting classification and fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities, together with the carrying amounts shown in the statement of financial position, are as follows:

	Note	Carrying amount 2022 E'000	Fair value 2022 E'000	Carrying amount 2021 E'000	Fair value 2021 E'000
Group					
Financial assets not measured at fair value – Financial assets at amortised cost					
- Trade and other receivables	15	241 026	241 026	184 244	184 244
- Cash and cash equivalents	16	71 903	71 903	354 244	354 244
		312 929	312 929	538 488	538 488
Financial liabilities not measured at fair value – other financial liabilities					
- Bank loans	19	(354 786)	(354 786)	(274 733)	(274 733)
- Trade and other payables	22	(394 677)	(394 677)	(320 015)	(320 015)
		(749 463)	(749 463)	(594 748)	(594 748)
Derivative Financial liabilities					
- Interest rate hedge	21	(4 751)	(4 751)	-	-
		(4 751)	(4 751)	-	-
Company					
Financial assets not measured at fair value – Financial assets at amortised cost					
- Trade and other receivables	15	230 221	230 221	101 514	101 514
- Cash and cash equivalents	16	49 989	49 989	270 225	270 225
		280 210	280 210	371 739	371 739
Financial liabilities not measured at fair value – other financial liabilities					
- Bank loans	19	(117 786)	(117 786)	(62 857)	(62 857)
- Trade and other payables	22	(240 909)	(240 909)	(266 628)	(266 628)
		(358 695)	(358 695)	(329 485)	(329 485)
Derivative Financial liabilities					
- Interest rate hedge	21	(1 246)	(1 246)	-	-
		(1 246)	(1 246)	-	-

37.2 Measurement of fair values

Valuation techniques and significant unobservable inputs

The following tables show the valuation techniques used in measuring Level 2 and Level 3 fair values for financial instruments measured at fair value in the statement of financial position, as well as the significant unobservable inputs used

Financial instruments measured at fair value			
Type	**Valuation technique**	**Significant unobservable inputs**	**Inter-relationship between significant unobservable inputs and fair value measurement**
Forward exchange contracts	Forward pricing: The fair value is determined using quoted forward exchange rates at the reporting date and present value calculations based on high credit quality yield curves in the respective currencies.	Not applicable.	Not applicable.
Financial instruments measured at fair value			
Other financial liabilities*	Discounted cash flows: The valuation model considers the present value of expected payments, discounted using a risk-adjusted discount rate.	Not applicable.	Not applicable.

** Other financial liabilities consist of secured and unsecured bank loans.*

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management

The Group has exposure to the following risks arising from its financial instruments:

- credit risk;
- liquidity risk; and
- market risk.

This note presents information about the Group's exposure to each of the above risks, the Group's objectives, policies and processes for measuring and managing risk, and the Group's management of capital. Further quantitative disclosures are included throughout these financial statements.

Risk management framework

The Group's board of directors has overall responsibility for the establishment and oversight of the Group's risk management framework. The Board of Directors has established the Risk Management Committee, which is responsible for developing and monitoring the Group's risk management policies. The committee reports regularly to the Board of Directors on its activities.

The Group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Group, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

The Group Risk Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group. The Group Audit Committee is assisted in its oversight role by Internal Audit. Internal Audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Audit Committee.

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers and deposits with banks and financial institutions.

Impairment losses on financial assets and contract assets recognised in profit or loss are analysed as follows.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Group 2021 E'000
Balance at the beginning of the year	(1 814)	(1 694)	(920)	(813)
Impairment loss utilised	629	868	161	357
Impairment loss recognised during the year	(637)	(988)	(195)	(464)
Balance at the end of the period	(1 822)	(1 814)	(954)	(920)

The impairment loss on cash and cash equivalents as at 31 March 2022 is E nil (2021: E nil) as the Group considers that its cash and cash equivalents have low credit risk based on the external ratings of the counterparties.

Trade receivables

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. However, management also considers the factors that may influence the credit risk of its customer base, including the default risk associated with the industry and country in which customers operate. Sugar produced by the Group's mills is sold to the Eswatini Sugar Association (ESA). This represents 89% of the Group's revenue (2021 - 88%). The regulations of the Sugar Industry in Eswatini are such that the mills are paid weekly for sugar produced.

Ethanol, which accounts for 9% of the Group's revenue (2021 – 11%) is sold to various customers. Credit limits, which are reviewed regularly, are in place and selected customers are required to obtain letters of credit as security. Some ethanol customers are on upfront payment terms.

The following disclosures present quantitative information on trade receivables and contract assets.

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management *(continued)*

Credit risk *(continued)*

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
The exposure to credit risk for trade receivables at the reporting date by geographic region was:				
Domestic	220 920	169 849	210 458	87 119
Europe	16 909	12 583	16 909	12 583
South Africa	3 197	1 812	2 854	1 812
	241 026	184 244	230 221	101 514
The exposure to credit risk for trade receivables at the reporting date by type of counterparty was:				
Sugar debtors	161 950	126 997	167 763	55 311
Ethanol debtors	30 472	21 611	30 431	21 611
Value added tax	37 760	22 732	21 824	12 803
Rental, school, staff, clinic and other debtors	10 844	12 904	10 203	11 789
	241 026	184 244	230 221	101 514
The exposure to credit risk for trade receivables at the reporting date by customer type was:				
Eswatini Sugar Association	160 823	121 441	78 888	52 958
Ethanol customers	30 472	21 611	30 431	21 611
Related parties	1 127	2 096	88 875	1 407
Cane Suppliers	-	3 460	-	946
Trade VAT	37 760	22 732	21 824	12 803
Sundry debtors (rentals, schools, clinics, staff)	10 844	12 904	10 203	11 789
	241 026	184 244	230 221	101 514

A summary of the Group's and Company's exposure to credit risk for trade receivables as follows.

	2022		2021	
	Not credit impaired E'000	Credit impaired E'000	Not credit impaired E'000	Credit impaired E'000
Group				
Core customers – sugar, ethanol and related parties	237 035	3 099	178 582	2 580
Non-core customers	1 518	1 196	4 009	887
	238 553	4 295	182 591	3 467
Loss allowance	(628)	(1 194)	(455)	(1 359)
	237 925	3 101	182 136	2 108
Company				
Core customers – sugar, ethanol and related parties	228 824	1 060	99 000	245
Non-core customers	865	426	2 733	457
	229 689	1 486	101 733	702
Loss allowance	(317)	(637)	(285)	(635)
	229 372	849	101 448	67

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management *(continued)*

Expected credit loss assessment for high risk and low risk customers as at 1 April 2021 and 31 March 2022

The Group classifies exposure to a credit risk as being either low risk or high risk. 89.3% of group revenue is derived from the sale of sugar to one long standing customer where the terms are such that the Group is paid weekly for sugar produced. 9.4% of group revenue is derived from a handful of select ethanol customers. The balance of revenue and other income is from incidental activities such as rentals of property, management fees, cost recoveries, all typical of a sugar operation based in a non-municipal location.

The credit risk from sugar customers, ethanol customers, related parties and outgrowers has been classified as low risk based on the securities that are in place against the debts. All other customers who do not have adequate security have been classified as high risk.

The Group adopted the simplified impairment model, which is applicable to trade receivables without a significant financing component. The loss allowance is measured at an amount equal to the lifetime expected credit losses, which represents the expected credit losses that will result from all possible default events over the expected life of the receivable. Lifetime expected credit loss is thus assumed to equate to the 12-month expected credit loss model.

The Group makes use of a provision matrix as a practical expedient to the determination of expected credit losses on trade receivables. The provision matrix is based on historic credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current and forecast direction of conditions at the reporting date, including the time value of money, where appropriate.

	Weighted average loss rate	Gross carrying amount E'000	Loss allowance E'000	Credit impaired
2022 Group – Low risk				
Current (not past due)	0%	225 459	-	No
1-30 days past due	0%	6 228	-	No
31-60 days past due	0%	6 346	-	No
61-90 days past due	0%	410	-	No
More than 90 days past due	37%	1 691	628	Yes
Balance at 31 March		240 134	628	
2022 Group – High risk				
Current (not past due)	2.7%	1 159	31	No
1-30 days past due	5.9%	68	4	No
31-60 days past due	4.3%	161	7	No
61-90 days past due	7.0%	187	13	Yes
More than 90 days past due	100%	1 139	1 139	Yes
Balance at 31 March		2 714	1 194	
2021 Group – Low risk				
Current (not past due)	0%	167 448	-	No
1-30 days past due	0%	5 177	-	No
31-60 days past due	1%	5 957	62	No
61-90 days past due	46.2%	39	18	Yes
More than 90 days past due	25.2%	2 541	562	Yes
Balance at 31 March		181 162	642	
2021 Group – High risk				
Current (not past due)	4.7%	1 801	84	No
1-30 days past due	6.3%	1 281	81	No
31-60 days past due	24.6%	927	228	No
61-90 days past due	30.3%	155	47	Yes
More than 90 days past due	100%	732	732	Yes
Balance at 31 March		4 896	1 172	

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management *(continued)*

	Weighted average loss rate	Gross carrying amount E'000	Loss allowance E'000	Credit impaired
2022 Company – Low risk				
Current (not past due)	0%	218 480	-	No
1-30 days past due	0%	6 165	-	No
31-60 days past due	0%	4 678	-	No
61-90 days past due	0%	184	-	No
More than 90 days past due	84.1%	377	317	Yes
Balance at 31 March		229 884	317	
2022 Company – High risk				
Current (not past due)	3.5%	425	15	No
1-30 days past due	2.0%	51	1	No
31-60 days past due	6.3%	64	4	No
61-90 days past due	7.6%	145	11	Yes
More than 90 days past due	100%	606	606	Yes
Balance at 31 March		1 291	637	
2021 Company – Low risk				
Current (not past due)	0%	91 775	-	No
1-30 days past due	0%	1 632	-	No
31-60 days past due	1.1%	5 593	62	No
61-90 days past due	100%	18	18	Yes
More than 90 days past due	100%	227	227	Yes
Balance at 31 March		99 245	307	
2021 Company – High risk				
Current (not past due)	1.7%	1 054	18	No
1-30 days past due	2.7%	973	26	No
31-60 days past due	25.4%	706	179	No
61-90 days past due	1.5%	68	1	Yes
More than 90 days past due	100%	389	389	Yes
Balance at 31 March		3 190	613	

Cash and cash equivalents

The Group invests available cash and cash equivalents with reputable banks as well as retaining surplus cash from sugar proceeds with the Eswatini Sugar Association. Investment returns on such retentions are higher than those offered by commercial banks. Accordingly, the Group has no significant concentration of credit risk.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Group 2021 E'000
Credit risk				
The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:				
Trade and other receivables	241 026	184 244	230 221	101 514
Cash and cash equivalents	71 903	354 244	49 989	270 225
	312 929	538 488	280 210	371 739

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management *(continued)*

Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The cane crushing season commences in April of each year and ends in December. During this period the Group's net cash position improves as the season progresses. The period between January and March is referred to as the "off-crop season". During this period, significant costs are incurred in the maintenance of the sugar mills and harvesting equipment, cane replanting activities and capital projects that could not be carried out during the crushing season. The Group's net cash position declines rapidly during this period. In order to ensure that there is sufficient cash on demand to meet operational expenses, including the servicing of financial obligations, various lines of credit are in place with reputable financial institutions. The levels of funding sourced are determined after a comprehensive budgeting process and after taking into account updated cash flow forecasts prepared by management.

At year end the Group had unutilised overdraft facilities of E86 million (2021 – E86 million) to cover the operations of the Company and its subsidiary, Mhlume Sugar Company Limited. Interest is payable at rates linked to the Eswatini prime rate (7.50% at year end) less 1% (2021 – 7.25% prime less 1%).

Exposure to liquidity risk

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted and include estimated interest payments and exclude the impact of netting agreements.

	Carrying amount E'000	Contractual cash flows E'000	Within 1 year E'000	2 to 5 Years E'000	More than 5 years E'000
2022 Group					
Non derivative financial liabilities					
Bank loans	(354 786)	(418 009)	(96 088)	(280 453)	(41 468)
Lease Liabilities	(8 593)	(12 947)	(2 662)	(3 947)	(6 338)
Trade and other payables	(394 677)	(394 677)	(394 677)	-	-
	(758 056)	(825 633)	(493 427)	(284 400)	(47 806)
Derivative financial liabilities					
Interest rate hedge	(4 751)	(4 751)	(2 352)	(2 399)	-
	(4 751)	(4 751)	(2 352)	(2 399)	-
2021 Group					
Non derivative financial liabilities					
Bank loans	(274 732)	(321 987)	(71 261)	(250 726)	-
Lease Liabilities	(10 684)	(16 255)	(2 992)	(6 237)	(7 026)
Trade and other payables	(320 015)	(320 015)	(320 015)	-	-
	(605 431)	(658 257)	(394 268)	(256 963)	(7 026)
2022 Company					
Non derivative financial liabilities					
Bank loans	(117 786)	(140 358)	(29 197)	(90 427)	(20 734)
Lease Liabilities	(5 606)	(6 909)	(2 413)	(2 949)	(1 547)
Trade and other payables	(240 909)	(240 909)	(240 909)	-	-
	(364 301)	(388 176)	(272 519)	(93 376)	(22 281)
Non derivative financial liabilities					
Trade and other payables	(1 246)	(1 246)	(617)	(629)	-
	(1 246)	(1 246)	(617)	(629)	-
2021 Company					
Non derivative financial liabilities					
Bank loans	(62 857)	(73 669)	(16 304)	(57 365)	-
Lease Liabilities	(7 744)	(10 411)	(2 755)	(5 289)	(2 367)
Trade and other payables	(266 628)	(266 628)	(266 628)	-	-
	(337 229)	(350 708)	(285 687)	(62 654)	(2 367)

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management *(continued)*

Liquidity risk *(continued)*

For derivative financial liabilities the gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to such derivative financial liabilities held for risk management purposes and which are not usually closed out before contractual maturity. The disclosure shows net cash flow amounts for derivatives that are net cash-settled and gross cash inflow and outflow amounts for derivatives that have simultaneous gross cash settlement.

As disclosed in note 19, the Group has a secured bank loan that contains various loan covenants. A future breach of these covenants may require the Group to repay the loan earlier than indicated in the above table. Under the agreement, the covenants are monitored on a regular basis by the treasury department and regularly reported to management to ensure compliance with the agreement. At the reporting date the covenant ratios were all well within the prescribed limits.

The interest payments on variable interest rate loans in the table above reflect market forward interest rates at the reporting date and these amounts may change as market interest rates change. The future cash flows on derivative instruments may be different from the amount in the above table as interest rates and exchange rates or the relevant conditions underlying the contingency change. Except for these financial liabilities, it is not expected that the cash flows included in the maturity analysis could occur significantly earlier, or at significantly different amounts.

Market risk

Market risk is the risk that changes in market prices, such as commodity prices, foreign exchange rates and interest rates will affect the Group's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

The Group utilises derivatives and also incurs financial liabilities, in order to manage risks. All such transactions are carried out within the guidelines set by the Risk Management Committee.

Currency risk

The Group is exposed to currency risk directly and indirectly as follows:

- Indirectly, on sugar sales by the Eswatini Sugar Association (ESA) to various export markets denominated in Euro, US dollars (USD) and Sterling (GBP);
- Directly, on ethanol sales to European and African markets denominated in Euro and US dollars; and
- Directly, on balances denominated in foreign currencies.

The Group has no direct influence on the risk arising from sugar sales by the ESA. The ESA does however have a foreign exchange risk committee tasked with monitoring currency risk and entering into hedge transactions to minimise risk and thus maximise on the Industry's net revenue which ultimately determines the price that millers receive for their sugar production.

Currency risk on ethanol sales is managed by way of monitoring daily spot rates and liquidating currency at favourable rates.

Exposure to currency risk

The summary quantitative data about the Group's exposure to currency risk as reported to management is as follows:

	Group Foreign amount		Group Emalangeni		Company Foreign amount		Company Emalangeni	
	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000	2022 '000	2021 '000
Euro cash in bank	127	16	2 049	271	127	16	2 049	271
US Dollar cash in bank	1 981	711	28 463	10 596	1 981	711	28 463	10 596
US Dollar trade payable	300	172	5 718	2 572	300	172	5 718	2 572
Pound Sterling trade payable	-	3	-	62	-	3	-	62

The following exchange rates applied during the year for the Group and Company:

	Reporting date Bank buying rate		Reporting date Bank selling rate	
	2022	2021	2022	2021
USD 1	14.46	14.91	14.51	14.95
GBP 1	16.15	20.49	16.21	20.56
EURO 1	18.99	17.48	19.06	17.53

	Average rate	
	2022	2021
USD 1	14.86	16.37
GBP 1	20.29	21.36
EURO 1	17.26	19.06

37. Financial instruments – fair values and risk management *(continued)*

37.3 Financial risk management *(continued)*

Market risk *(continued)*

Currency risk *(continued)*

Exposure to currency risk (continued)

A 10% strengthening of the Lilangeni against the following currencies at 31 March would have increased/ (decreased) pre-tax profit or loss by the amounts shown below. This analysis assumes that all other variables, in particular interest rates, remain constant. The analysis is performed on the same basis for 2021.

A 10% weakening of the Lilangeni against the above currencies at 31 March would have had the equal but opposite effect on the amounts shown below, on the basis that all other variables remain constant.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Group 2021 E'000
USD	205	802	205	802
Euro	2 864	27	2 864	27
Pound	6	6	6	6
Total	3 075	835	3 075	835
Impact on equity	2 229	605	2 229	605

Interest rate risk

The Group does not have a formal policy to manage exposure to changes in interest rates. Management do however monitor interest rate trends on an ongoing basis.

The interest rate profile of the Group's interest-bearing financial instruments as reported to management of the Group is as follows.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Group 2021 E'000
Profile				
Variable rate instruments				
Financial assets – call deposits	12 652	292 210	6 290	217 227
Financial liabilities	(354 786)	(274 733)	(117 786)	(62 857)
	(342 134)	17 477	(111 496)	154 370

Cash flow sensitivity analysis for variable rate instruments

A change of 100 basis points in interest rates at the reporting date would have increased/ (decreased) profit or loss by the amounts shown below. There is no additional impact on equity. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2021.

	Group		Company	
	100 bp increase E'000	100 bp decrease E'000	100 bp increase E'000	100 bp decrease E'000
31 March 2022				
Net cash flow sensitivity of variable rate instruments	(3 421)	3 421	(1 150)	1 150
Impact on equity	(2 480)	2 480	(834)	834
31 March 2021				
Net cash flow sensitivity of variable rate instruments	(17)	17	(154)	154
Impact on equity	(12)	12	(112)	112

38. Related parties

Significant related party relationships exist between the Company and:

- major shareholders, Tibiyo Taka Ngwane, RCL Foods Sugar and Milling (Proprietary) Limited and organisations controlled by such shareholders;
- directors and members of the executive committee;
- joint ventures as stated in note 12; and
- subsidiary and associate companies as stated in notes 11 and 12 respectively.

The group through its subsidiary operates a division, Mhlume Water, which is responsible for the conveyance of water for irrigation purposes. The management of Mhlume Water was delegated to the Company on 1 May 2004.

Related party transactions comprise management and technical fees payable and receivable, interest paid, interest received, and share of profits or management fees received from sugar cane grown on behalf of related parties. Certain re-imbursive expenditure is recouped from related parties.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
38.1 Related party balances				
Amounts owing by related parties				
The following amounts are due from related parties at year end:				
IYSIS	-	-	-	238
Mhlume Sugar Company Limited	-	-	88 474	-
Mananga Sugar Packers (Proprietary) Limited	794	968	294	286
Mhlume Country Club	226	162	-	-
Simunye Country Club	71	-	71	-
Simunye Plaza	36	669	36	669
Tibiyo TakaNgwane	-	214	-	214
Tsb Sugar International (Proprietary) Limited	-	83	-	-
	1 127	2 096	88 875	1 407
Amounts owing to related parties				
Mhlume Sugar Company Limited	-	-	-	67 690
Mhlume Water	8 732	7 564	-	762
Royal Swazi Distillers (Proprietary) Limited	-	-	19 339	17 868
Tibiyo Taka Ngwane	6 339	8 191	2 282	-
Simunye Country Club	-	83	-	83
Tsb Sugar International (Proprietary) Limited	208	182	208	182
	15 279	16 020	21 829	86 585
There are no provision for debt impairment or bad debts written off relating to the above related party balances.				
38.2 Related party transactions				
Transactions include the following un-eliminated transactions:				
Share of IYSIS/MSCO Sugar partnership profit	-	18 228	-	-
Share of IYSIS partnership profit	-	16 213	-	16 213
Water cost paid to Mhlume Water	(13 292)	(545)	-	-
Mhlume Water - water charged to IYSIS	-	30	-	30
IYSIS/MSCO Sugar partnership	-	3 026	-	2 207
Mhlume Water – water charged to Mhlume Sugar Company Limited	13 292	3 746	-	-
Interest paid - Royal Swazi Distillers (Proprietary) Limited	(1 171)	(1 086)	(1 171)	(1 086)
Management, marketing and technical fees (paid)/ received:				
- Tsb Sugar International (Proprietary) Limited	(2 500)	(2 421)	(2 500)	(2 421)
- Mhlume Water	3 211	3 058	-	-
- Mananga Sugar Packers (Proprietary) Limited	1 086	1 050	1 086	1 050
- Tibiyo Taka Ngwane	2 587	3 386	1 359	806
	4 384	5 073	(55)	(565)
Directors' emoluments are disclosed in note 27.				
38.3 Compensation for key management personnel				
Short term benefits	27 386	23 173	15 610	13 208
Other long-term employee benefits	27 581	17 780	15 721	10 135
	54 967	40 953	31 331	23 343

38. Related parties *(continued)*

38.4 Related party contingent liabilities and commitments

Related party contingent liabilities and commitments are disclosed in note 33.

38.5 Impairments

An impairment assessment has been made for related party balances and a credit loss rate of 0% was assigned to this category.

39. Leases

The Group as a Lessee

The Group leases land as detailed in note 39.1. Additionally, the Group also leases farms for cane growing purposes, residential and office property for certain employees working on the leased farms, and computer equipment.

The residential and office leases typically run for one year with an option to renew. The lease payments are reviewed annually with escalations either being fixed or linked to inflation. The lease for computer equipment runs for a period of four years.

The terms of the farm leases are usually negotiated to ensure the benefit of a full crop ration. As a minimum, leases are no less than seven years.

Information about the leases for which the Group is a lessee is presented in the following section.

	Land and buildings E'000	Vehicles, computer equipment, furniture and fittings E'000	Total E'000
39.1 Leases (right-of use assets)			
Right-of-use assets related to leased property			
Group 2022			
Balance at 1 April 2021	6 636	3 380	10 016
Additions	100	-	100
Depreciation charge for the year	(956)	(1 398)	(2 354)
Derecognition of right of use assets	-	-	-
Balance at 31 March 2022	5 780	1 982	7 762
Group 2021			
Balance at 1 April 2020	6 256	4 779	11 035
Additions	3 111	-	3 111
Depreciation charge for the year	(2 731)	(1 399)	(4 130)
Derecognition of right of use assets	-	-	-
Balance at 31 March 2021	6 636	3 380	10 016
Company 2022			
Balance at 1 April 2021	3 717	3 380	7 097
Additions	-	-	-
Depreciation charge for the year	(834)	(1 399)	(2 233)
Derecognition of right of use assets	-	-	-
Balance at 31 March 2022	2 883	1 981	4 864
Company 2021			
Balance at 1 April 2020	6 256	4 779	11 035
Additions	153	-	153
Depreciation charge for the year	(2 677)	(1 399)	(4 076)
Derecognition of right of use assets	(15)	-	(15)
Balance at 31 March 2021	3 717	3 380	7 097

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
39 Leases *(continued)*				
39.2 Leases amounts recognised in profit or loss				
Leases under IFRS 16				
Interest on lease liability	823	883	636	821
Lease Expense				
Lease expense	3 746	2 423	3 147	1 949
Leases recognised in statement of cashflows				
Total cash outflow for leases	2 191	3 912	2 138	3 895

Extension Options

Some property leases contain extension options exercisable by the Group up to three months before the end of the current contract period. Where applicable, the Group seeks to include extension options in the new leases to provide for operational flexibility. The extension options held are exercisable by the Group. The Group reassesses whether it is reasonably certain to exercise the options if there is a significant event or significant changes in circumstances within its control.

39.3 The Group as a Lessor

The Group leases out a number of properties which include, commercial and residential buildings. The Group has classified these leases as operating leases.

	Group 2022 E'000	Group 2021 E'000	Company 2022 E'000	Company 2021 E'000
39.4 Lease not classified under IFRS 16				
Future operating lease commitments in respect of an operating lease outstanding at year end were as follows:				
Payable within one year of reporting date	1 420	1 353	1 420	1 353
More than one year and less than five years from reporting date	6 427	6 121	6 427	6 121
Five years or more from reporting date	7 812	9 538	7 812	9 538
	15 659	17 012	15 659	17 012

Operating lease represents a leased farm for cane growing, whose rental amount is calculated at 12.5% of the gross agricultural turnover. Due to the variable nature of the rental payments of the contracts, the lease did not meet the recognition criteria for IFRS 16 and has continued to be treated as an operating lease.

40. Significant accounting policies

The Group has consistently applied the accounting policies set out to all periods presented in these consolidated financial statements, except as detailed in note 5.

40.1 Basis of consolidation

Business combinations

The Group accounts for business combinations using the acquisition method when control is transferred to the Group. The consideration transferred in the acquisition is generally measured at fair value, as are the identifiable net assets acquired. Any goodwill that arises is tested annually for impairment. Any gain on a bargain purchase is recognised in profit or loss immediately. Transaction costs are expensed as incurred, except if related to the issue of debt or equity securities.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Any contingent consideration is measured at fair value at the date of acquisition. If an obligation to pay contingent consideration that meets the definition of a financial instrument is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, other contingent consideration is remeasured at fair value at each reporting date and subsequent changes in the fair value of the contingent consideration are recognised in profit or loss.

Acquisitions on or after 1 April 2010

For acquisitions on or after 1 April 2010, the Group measures goodwill at the acquisition date as:

- the fair value of the consideration transferred; plus
- the recognised amount of any non-controlling interests in the acquiree; plus
- if the business combination is achieved in stages, the fair value of the existing equity interest in the acquiree; less
- the net recognised amount (generally fair value) of the identifiable assets acquired and liabilities assumed.

40. Significant accounting policies *(continued)*

40.1 Basis of consolidation *(continued)*

Business combinations *(continued)*

Acquisitions on or after 1 April 2010 (continued)

When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

The consideration transferred does not include amounts related to the settlement of pre-existing relationships. Such amounts are generally recognised in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurs in connection with a business combination are expensed as incurred.

Any contingent consideration payable is recognised at fair value at the acquisition date. If the contingent consideration is classified as equity, then it is not remeasured and settlement is accounted for within equity. Otherwise, subsequent changes to the fair value of the contingent consideration, that do not relate to changes due to information acquired about facts and circumstances that existed at the acquisition date, are recognised in profit or loss.

Acquisitions between 1 April 2004 and 31 March 2010

For acquisitions between 1 April 2004 and 31 March 2010, goodwill represents the excess of the cost of the acquisition over the Group's interest in the recognised amount (generally fair value) of the identifiable assets, liabilities and contingent liabilities of the acquiree. When the excess was negative, a bargain purchase gain was recognised immediately in profit or loss.

Transaction costs, other than those associated with the issue of debt or equity securities, that the Group incurred in connection with business combinations were capitalised as part of the cost of the acquisition.

Acquisitions prior to 1 April 2004

In respect of acquisitions prior to this date, goodwill is included on the basis of its carrying amount, which represents cost less accumulated amortisation up to 31 March 2004.

Subsidiaries

Subsidiaries are entities controlled by the Group. The Group controls an entity when it is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Investments in subsidiaries are accounted for at cost in Company's separate financial statements.

Interests in equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and joint ventures.

Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

Investments in equity-accounted investees are measured at cost less impairment in the Company's separate financial statements.

Transactions eliminated on consolidation

Intra-group balances and transactions, and any unrealised income and expenses arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

40.2 Foreign currency transactions

Transactions in foreign currencies are translated to the respective functional currencies of Group companies at exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated to the functional currency at the exchange rate when the fair value was determined. Non-monetary items that are measured based on historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Foreign currency differences are recognised in profit or loss.

40.3 Financial instruments

Recognition and initial measurement

Trade receivables are initially recognised when they are originated. All other financial assets and financial liabilities are initially recognised when the Group becomes a party to the contractual provisions of the instrument.

A financial asset (unless it is a trade receivable without a significant financing component) or financial liability is initially measured at fair value plus, for an item not at FVTPL, transaction costs that are directly attributable to its acquisition or issue. A trade receivable without a significant financing component is initially measured at the transaction price.

40. Significant accounting policies *(continued)*

40.3 Financial instruments *(continued)*

Classification and subsequent measurement

Financial assets

On initial recognition, a financial asset is classified as measured at: amortised cost or FVTPL.

Financial assets are not reclassified subsequent to their initial recognition unless the Group changes its business model for managing financial assets, in which case all affected financial assets are reclassified on the first day of the first reporting period following the change in the business model.

A financial asset is measured at amortised cost if it meets both of the following conditions and is not designated as at FVTPL:
- it is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- its contractual terms give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All financial assets not classified as measured at amortised cost as described above are measured at FVTPL. This includes all derivative financial assets (see note 36.1) On initial recognition, the Group may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets – Business model assessment:

The Group makes an assessment of the objective of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. The information considered includes:
- the stated policies and objectives for the portfolio and the operation of those policies in practice. These include whether management's strategy focuses on earning contractual interest income, maintaining a particular interest rate profile, matching the duration of the financial assets to the duration of any related liabilities or expected cash outflows or realising cash flows through the sale of the assets;
- how the performance of the portfolio is evaluated and reported to the Group's management;
- the risks that affect the performance of the business model (and the financial assets held within that business model) and how those risks are managed;
- how managers of the business are compensated – e.g. whether compensation is based on the fair value of the assets managed or the contractual cash flows collected; and
- the frequency, volume and timing of sales of financial assets in prior periods, the reasons for such sales and expectations about future sales activity.

Transfers of financial assets to third parties in transactions that do not qualify for derecognition are not considered sales for this purpose, consistent with the Group's continuing recognition of the assets.

Financial assets that are held for trading or are managed and whose performance is evaluated on a fair value basis are measured at FVTPL.

Financial assets – Assessment whether contractual cash flows are solely payments of principal and interest:

For the purposes of this assessment, 'principal' is defined as the fair value of the financial asset on initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks and costs (e.g. liquidity risk and administrative costs), as well as a profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, the Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, the Group considers:
- contingent events that would change the amount or timing of cash flows;
- terms that may adjust the contractual coupon rate, including variable-rate features;
- prepayment and extension features; and
- terms that limit the Group's claim to cash flows from specified assets (e.g. non-recourse features).

Financial assets – Subsequent measurement and gains and losses:

Financial assets at amortised cost	These include trade and related party receivables. These assets are subsequently measured at amortised cost using the effective interest method. The amortised cost is reduced by impairment losses. Interest income, foreign exchange gains and losses and impairment are recognised in profit or loss. Any gain or loss on derecognition is recognised in profit or loss.

See further below, under this note, for financial assets designated as hedging instruments.

40. Significant accounting policies *(continued)*

40.3 Financial instruments *(continued)*

Classification and subsequent measurement *(continued)*

Financial liabilities – Classification, subsequent measurement and gains and losses:

Financial liabilities comprise loans and borrowings, bank overdrafts, trade and other payables, related party, forward exchange contracts and retained amounts.

Financial liabilities are classified as measured at amortised cost.

Other financial liabilities, which comprise loans and borrowings, bank overdrafts, trade and other payables, related party and retained amounts, are subsequently measured at amortised cost using the effective interest method. Interest expense and foreign exchange gains and losses are recognised in profit or loss. Any gain or loss on derecognition is also recognised in profit or loss.

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

See further below, under this note, for financial liabilities designated as hedging instruments.

Non-derivative financial liabilities – Classification, subsequent measurement and gains and losses:

The Group classifies non-derivative financial liabilities into the other financial liabilities category.

Non-derivative financial liabilities are initially recognised at fair value less any directly attributable transaction costs. Subsequent to initial recognition, these liabilities are measured at amortised cost using the effective interest method.

Derecognition

Financial assets

The Group derecognises a financial asset when the contractual rights to the cash flows from the financial asset expire, or it transfers the rights to receive the contractual cash flows in a transaction in which substantially all of the risks and rewards of ownership of the financial asset are transferred or in which the Group neither transfers nor retains substantially all of the risks and rewards of ownership and it does not retain control of the financial asset.

Financial liabilities

The Group derecognises a financial liability when its contractual obligations are discharged or cancelled or expire. The Group also derecognises a financial liability when its terms are modified and the cash flows of the modified liability are substantially different, in which case a new financial liability based on the modified terms is recognised at fair value.

On derecognition of a financial liability, the difference between the carrying amount extinguished and the consideration paid (including any non-cash assets transferred or liabilities assumed) is recognised in profit or loss.

Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

Derivative financial instruments

The group holds derivative instruments to hedge its foreign currency and interest rate risk exposures.

Derivatives are initially measured at fair value. Subsequently to initial recognition, derivatives are measured at fair value, and any changes therein are recognised in the profit and loss.

The Group designated certain derivatives as hedging instruments to hedge variability of cash flows associated from changes in exchange rates and interest rates on its borrowings.

Hedge accounting is not applied as all the requirements required in the standard are not met. Rather the instrument and the derivative are accounted for as two separate instruments and fair values are calculated accordingly.

40.4 Property, plant and equipment

Recognition and measurement

Items of property, plant and equipment are measured initially at cost, which includes capitalised borrowing costs, less accumulated depreciation and any accumulated impairment losses. Items of property, plant and equipment are subsequently measured at cost less accumulated depreciation and impairment losses.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

All acquisitions of property, plant and equipment are initially recognised at cost under Capital Work in Progress ("CWIP"). When the item of property, plant and equipment is completed and brought into productive use it is then reclassified to the appropriate category.

Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group.

40. Significant accounting policies *(continued)*

40.4 Property, plant and equipment *(continued)*

Recognition and measurement (continued)

Depreciation

Depreciation is calculated to write off the cost of items of property, plant and equipment less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Group will obtain ownership by the end of the lease term. Land is not depreciated.

The estimated useful lives of property, plant and equipment for current and comparative periods are as follows:

• Freehold buildings	50 years
• Improvements to leasehold property	50 years
• Bearer Plants - Cane roots	5 -10 years
• Bearer Plants - Citrus Trees	25 years
• Plant and machinery	5-20 years
• Irrigation equipment	10-20 years
• Furniture and fittings	4-10 years
• Vehicles	4-10 years
• Computer equipment	4-0 years

Depreciation methods, useful lives and residual values are re-assessed annually at the reporting date and are adjusted where appropriate.

Impairment

The Group conducts impairment tests for its assets on an annual basis to determine if the carrying amounts of the assets are not significantly higher than their recoverable amounts. Items of property, plant and equipment which are obsolete or no longer perform to their optimum level are considered impaired. The impairment losses are recognised on the excess between carrying amounts and recoverable amounts of the assets. Where the recoverable amount cannot be readily determined, the impairment losses are recognised to the extent of the carrying amounts of the identified assets.

Derecognition

The gain or loss arising from the derecognition of an item of property, plant and equipment is determined as the difference between the net disposal proceeds and the carrying amount of the item.

The gain or loss arising from the derecognition of an item of property, plant and equipment is included in profit loss when the item is derecognised.

40.5 Goodwill

Initial measurement

The initial measurement of goodwill is detailed under 'Business Combinations' refer to note 40.1.

Subsequent measurement

Goodwill is measured at cost less any accumulated impairment losses. Testing for impairment is done annually and whenever there is an indication of impairment.

40.6 Intangible assets

Favourable lease contracts

Favourable lease contracts are those assets identified through business combinations where land is leased at a nominal rental. The contract is measured at cost less accumulated amortisation and accumulated impairment losses, the cost being the fair value of the off market element of the asset at the date of acquisition. The contract is depreciated over the expected lease period as follows:

- Contract 1: 21.5 years (derecognised on 01 December 2020)
- Contract 2: 45 years

Computer Software

Acquired software is measured initially at cost, which includes capitalised borrowing costs, less amortisation and any accumulated impairment losses. Software is subsequently measured at cost less accumulated Amortisation and impairment losses. Software is amortised over a period of 3 – 10 years.

Subsequent expenditure

Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation of intangible assets

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

Favourable lease contracts are amortised over the remaining period of the lease.

Amortisation methods, useful lives and residual values are re-assessed annually at the reporting date and are adjusted where appropriate.

40. Significant accounting policies *(continued)*

40.4 Intangible assets *(continued)*

Impairment

The Group conducts impairment tests for its intangible assets on an annual basis to determine if the carrying amounts of the assets are not significantly higher than their recoverable amounts. Any impairment losses are recognised on the excess between carrying amounts and recoverable amounts of the assets. Where the recoverable amount cannot be readily determined, the impairment losses are recognised to the extent of the carrying amounts of the identified assets.

40.7 Biological assets

Biological assets are measured at fair value less costs to sell, with any change therein recognised in profit or loss in the period that they arise. Costs to sell include all costs that would be necessary to sell the assets, including the transportation costs of moving sugar cane from fields to the mills.

40.8 Inventories

Inventories are measured at the lower of cost and net realisable value. Cost is determined on the following bases:

- Raw materials, consumable stores and spares – weighted average cost;
- Finished goods and by products – weighted average cost, including a proportion of production overheads based on normal operating capacity; and
- Consumables stores and spares – weighted average cost.

Net realisable value is the estimated selling price in the ordinary course of business, less the estimated costs of completion and selling expenses.

The amount of any write-down or loss of inventories is recognised as an expense in cost of sales in the period in which the write-down or loss occurs.

40.9 Impairment

Financial instruments

Financial assets

The Group recognises loss allowances for ECLs on financial assets measured at amortised cost.

The Group measures loss allowances at an amount equal to lifetime ECLs, except for bank balances for which credit risk (i.e. the risk of default occurring over the expected life of the financial instrument) has not increased significantly since initial recognition.

Loss allowances for trade receivables are always measured at an amount equal to lifetime ECLs. When determining whether the credit risk of a financial asset has increased significantly since initial recognition and when estimating ECLs, the Group considers reasonable and supportable information that is relevant and available without undue cost or effort. This includes both quantitative and qualitative information and analysis, based on the Group's historical experience and informed credit assessment and including forward-looking information.

The Group assumes that the credit risk on a financial asset has increased significantly if it is more than 60 days past due.

The Group considers a financial asset to be in default when:

- the borrower is unlikely to pay its credit obligations to the Group in full, without recourse by the Group to actions such as realising security (if any is held); or
- the financial asset is more than 120 days past due.

Lifetime ECLs are the ECLs that result from all possible default events over the expected life of a financial instrument.

12-month ECLs are the portion of ECLs that result from default events that are possible within the 12 months after the reporting date (or a shorter period if the expected life of the instrument is less than 12 months).

The maximum period considered when estimating ECLs is the maximum contractual period over which the Group is exposed to credit risk.

Measurement of ECLs

ECLs are a probability-weighted estimate of credit losses. Credit losses are measured as the present value of all cash shortfalls (i.e. the difference between the cash flows due to the entity in accordance with the contract and the cash flows that the Group expects to receive).

ECLs are discounted at the effective interest rate of the financial asset.

Credit-impaired financial assets

At each reporting date, the Group assesses whether financial assets carried at amortised cost are credit-impaired. A financial asset is 'credit-impaired' when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Evidence that a financial asset is credit-impaired includes the following observable data:

- significant financial difficulty of the borrower or issuer;
- a breach of contract such as a default or being more than 120 days past due;
- the restructuring of a loan or advance by the Group on terms that the Group would not consider otherwise;
- it is probable that the borrower will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for a security because of financial difficulties.

Presentation of allowance for ECL in the statement of financial position

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets.

40. Significant accounting policies *(continued)*

40.9 Impairment *(continued)*

Financial instruments *(continued)*

Write-off

The gross carrying amount of a financial asset is written off when the Group has no reasonable expectations of recovering a financial asset in its entirety or a portion thereof. For individual customers, the Group has a policy of writing off the gross carrying amount when the financial asset is 180 days past due based on historical experience of recoveries of similar assets. For corporate customers, the Group individually makes an assessment with respect to the timing and amount of write-off based on whether there is a reasonable expectation of recovery. The Group expects no significant recovery from the amount written off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Group's procedures for recovery of amounts due.

Non-derivative financial assets

Objective evidence that financial assets are impaired include:

- default or delinquency by a debtor;
- restructuring of an amount due to the Group on terms that the Group would not consider otherwise;
- indications that a debtor or issuer will enter bankruptcy;
- adverse changes in the payment status of borrowers or issuers;
- the disappearance of an active market for a security; or
- observable data indicating that there is measurable decrease in expected cash flows from a group of financial assets.

Financial assets measured at amortised cost	The Group considered evidence of impairment for these assets at both an individual asset and a collective level. All individually significant assets were individually assessed for impairment. Those found not to be impaired were then collectively assessed for any impairment that had been incurred but not yet individually identified. Assets that were not individually significant were collectively assessed for impairment. Collective assessment was carried out by grouping together assets with similar risk characteristics. In assessing collective impairment, the Group used historical information on the timing of recoveries and the amount of loss incurred, and made an adjustment if current economic and credit conditions were such that the actual losses were likely to be greater or lesser than suggested by historical trends. An impairment loss was calculated as the difference between an asset's carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. Losses were recognised in profit or loss and reflected in an allowance account. When the Group considered that there were no realistic prospects of recovery of the asset, the relevant amounts were written off. If the amount of impairment loss subsequently decreased and the decrease could be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss was reversed through profit or loss.

Non-financial assets

At each reporting date, the Group reviews the carrying amounts of its non-financial assets (other than biological assets, inventories and deferred tax assets) to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated. Goodwill is tested annually for impairment.

For impairment testing, assets are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs. Goodwill arising from a business combination is allocated to CGUs or groups of CGUs that are expected to benefit from the synergies of the combination.

The recoverable amount of an asset or CGU is the greater of its value in use and its fair value less costs to sell. Value in use is based on the estimated future cash flows, discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

An impairment loss is recognised if the carrying amount of an asset or CGU exceeds its recoverable amount.

Impairment losses are recognised in profit or loss. They are allocated first to reduce the carrying amount of any goodwill allocated to the CGU, and then to reduce the carrying amounts of the other assets in the CGU on a pro rata basis.

An impairment loss in respect of goodwill is not reversed. For other assets, an impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

40.10 Share capital

Ordinary shares

Incremental costs directly attributable to the issue of ordinary shares, net of any tax effects, are recognised as a deduction from equity.

40. Significant accounting policies *(continued)*

40.11 Employee benefits

Defined benefit obligation - Retirement pay

The Group's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The retirement pay obligation is calculated every three years by a qualified actuary using the projected unit credit method. Independent actuaries perform a roll forward of the valuation annually for the years during the tri-annual full valuation. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Remeasurements of the net defined benefit liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. The Group determines the net interest expense (income) on the net defined benefit liability (asset) for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the then-net defined benefit liability (asset), taking into account any changes in the net defined benefit liability (asset) during the period as a result of contributions and benefit payments. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

Other long-term employee benefits – long service awards and long term incentive

The Group's net obligation in respect of long-term employee benefits is the amount of future benefit that employees have earned in return for their service in the current and prior periods. Certain benefits are not discounted where the effect of discounting is not material. All other benefits are discounted to determine their present value. Remeasurements are recognised in profit or loss in the period in which they arise.

Termination benefits

Termination benefits are expensed at the earlier of when the Group can no longer withdraw the offer of those benefits and when the Group recognises costs for a restructuring. If benefits are not expected to be settled wholly within 12 months of the reporting date, then they are discounted.

Short-term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Group has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

Defined contribution plans

Obligations for contributions to defined contribution plans are expensed as the related service is provided. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in future payments is available.

40.12 Revenue from contracts with customers

Information about the Group's accounting policies relating to contracts with customers is provided in Note 25.

40.13 Dividend and rental income

Dividend income and rental income from surplus housing is recognised in profit or loss under other income on the date that the Group's right to receive payment is established. Rental contracts are generally renewed annually.

Dividends received are treated as an investing activity in the statement of cash flow.

40.14 Leases

The Group has applied IFRS 16 to all leases meeting the recognition criteria of IFRS 16. Leases which do not meet the recognition criteria of IFRS 16 have continued to be expensed in the statement of profit or loss as payments fall due.

Determining whether an arrangement contains a lease:
The Group assesses whether a contract is or contains a lease at inception of the contract. A lease conveys the right to direct the use and obtain substantially all of the economic benefits of an identified asset for a period of time in exchange for consideration.

Initial measurement of lease asset
At lease commencement date, the Group recognises a right-of-use asset and a lease liability in its consolidated statement of financial position. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, and any lease payments made in advance of the lease commencement date.

The Group depreciates the right-of-use asset on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

Lease liability
At the commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the Group's incremental borrowing rate because as the lease contracts are negotiated with third parties it is not possible to determine the interest rate that is implicit in the lease. The incremental borrowing rate is the estimated rate that the Group would have to pay to borrow the same amount over a similar term, and with similar security to obtain an asset of equivalent value.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed), variable payments based on an index or rate, amounts expected to be payable under a residual value guarantee and payments arising from options reasonably certain to be exercised.

40. Significant accounting policies *(continued)*

40.14 Leases *(continued)*

Subsequent Measurement

Subsequent to initial measurement, the liability will be reduced by lease payments that are allocated between repayments of principal and finance costs. The finance cost is the amount that produces a constant periodic rate of interest on the remaining balance of the lease liability. The lease liability is reassessed when there is a change in the lease payments. The revised lease payments are discounted using the Group's incremental borrowing rate at the date of reassessment when the rate implicit in the lease cannot be readily determined. The amount of the remeasurement of the lease liability is reflected as an adjustment to the carrying amount of the right-of-use asset. The exception being when the carrying amount of the right-of-use asset has been reduced to zero then any excess is recognised in profit or loss.

Payments under leases can also change when there is either a change in the amounts expected to be paid under residual value guarantees or when future payments change through an index or a rate used to determine those payments, including changes in market rental rates following a market rent review. The lease liability is remeasured only when the adjustment to lease payments takes effect and the revised contractual payments for the remainder of the lease term are discounted using an unchanged discount rate. Except for where the change in lease payments results from a change in floating interest rates, in which case the discount rate is amended to reflect the change in interest rates, both of which were not part of the original terms and conditions of the lease.

In these situations, the Group does not account for the changes as though there is a new lease. Instead, the revised contractual payments are discounted using a revised discount rate at the date that the lease is effectively modified. For the reasons explained above, the discount rate used is the Group's incremental borrowing rate determined at the modification date, as the rate implicit in the lease is not readily determinable.

The remeasurement of the lease liability is dealt with by a reduction in the carrying amount of the right-of-use asset to reflect the full or partial termination of the lease for lease modifications that reduce the scope of the lease. Any gain or loss relating to the partial or full termination of the lease is recognised in profit or loss. The right-of-use asset is adjusted for all other lease modifications.

Short term leases

The Group has elected to account for short-term leases using the practical expedients allowed under IFRS 16. These leases relate to items of residential property leased for a period of 12 months and leases that are considered to be low value. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in profit or loss on a straight-line basis over the lease term.

40.15 Finance income and finance costs

Finance income comprises interest income on funds invested and interest income on accounts receivable. Interest income is recognised as it accrues in profit or loss, using the effective interest method.

Finance costs comprise the interest expense on borrowings and unwinding of the discount on provisions.

Borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

Foreign currency gains and losses on financial assets and financial liabilities are reported on a net basis as either finance income or finance cost depending on whether foreign currency movements are in a net gain or net loss position.

40.16 Operating profit

Operating profit is the result generated from the continuing principal revenue producing activities of the Group as well as other income and expenses related to operating activities. Operating profit excludes net finance costs, share of profit of equity accounted investees and income taxes.

40.17 Income tax

The income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to tax payable or receivable in respect of previous years. The amount of current tax payable or receivable is the best estimate of the tax amount expected to be paid or received that reflects uncertainty related to income taxes, if any. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if certain criteria are met.

Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;
- temporary differences related to investments in subsidiaries, associates, and joint arrangements to the extent that the group is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and
- taxable temporary differences arising on the initial recognition of goodwill.

40. Significant accounting policies (continued)

40.17 Income tax *(continued)*

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Future taxable profits are determined based on business plans for individual subsidiaries in the Group. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized; such reductions are reversed when the probability of future taxable profits improves.

Unrecognised deferred tax assets are reassessed at each reporting date and recognized to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if certain criteria are met.

40.18 Measurement of Fair Values

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Group has access at that date. The fair value of a liability reflects its non-performance risk.

A number of the Group's accounting policies and disclosures require the measurement of fair values, for both financial and non-financial assets and liabilities.

When one is available, the Group measures the fair value of an instrument using the quoted price in an active market for that instrument. A market is regarded as active if transactions for the asset or liability take place with sufficient frequency and volume to provide pricing information on an ongoing basis.

If there is no quoted price in an active market, then the Group uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

If an asset or a liability measured at fair value has a bid price and an ask price, then the Group measures assets and long positions at a bid price and liabilities and short positions at an ask price.

The best evidence of the fair value of a financial instrument on initial recognition is normally the transaction price – i.e. the fair value of the consideration given or received. If the Group determines that the fair value on initial recognition differs from the transaction price and the fair value is evidenced neither by a quoted price in an active market for an identical asset or liability nor based on a valuation technique for which any unobservable inputs are judged to be insignificant in relation to the measurement, then the financial instrument is initially measured at fair value, adjusted to defer the difference between the fair value on initial recognition and the transaction price. Subsequently, that difference is recognised in profit or loss on an appropriate basis over the life of the instrument but no later than when the valuation is wholly supported by observable market data or the transaction is closed out.

41. New standards and interpretations not yet adopted

A number of new standards are effective for annual periods beginning on or after 1 January 2022 and earlier application is permitted, however, the Group has not early adopted the new or amended standards in preparing these consolidated financial statements.
The following amended standards and interpretations are not expected to have a significant impact on the Group's consolidated financial statements.

- Insurance Contracts (Amendments to IFRS 17).
- Proceeds before Intended Use (Amendments to IAS 16).
- Amendments to References to Conceptual Framework in IFRS Standards.
- Onerous Contracts – Cost of Fulfilling a Contract (Amendments to IAS 37).
- Annual Improvements to IFRS Standards 2018-2020 Cycle (Amendments to IFRS1, IFRS 9, IFRS 16 and IAS 41).
- Classification of Liabilities as Current or Non-current (Amendment to IAS 1).

IAS 16 amendment; IAS 37 amendment; IAS 41 amendment; IFRS 1 amendment; IFRS 9 amendment; IFRS 16 amendment; IFRS 17 amendment and the amendments to references to the Conceptual Framework in IFRS are not applicable to the Group.

The amendment to IAS 1 provides clarity on the classification of liabilities between current and non current, the Group is already in compliance with the new classifications and therefore the adoption of the standard will have no impact on the results of the Group.

42. Going Concern – Covid 19

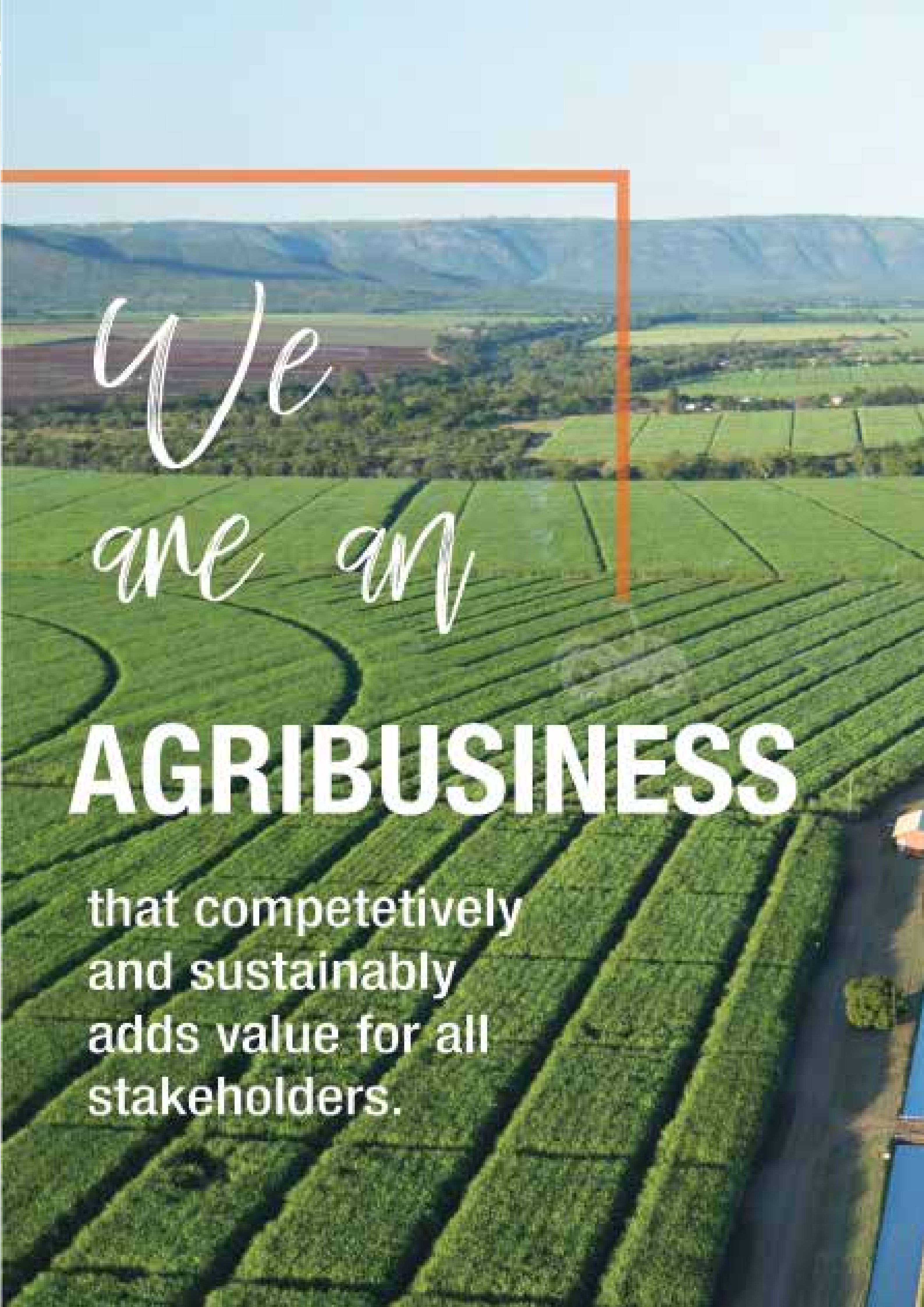
The sugar markets continue to present a number of challenges, more so in the SACU and world markets. This has not been significantly changed by the continued existence of the Covid-19 pandemic in the previous year since the group has been able to continue with its normal operations albeit accommodating a best practice Covid risk avoidance strategy.

Management actively monitors and responds to the constant changes with determined effort to ensure that the Group emerges as a going concern post the COVID 19 era. Based on this, the directors are of the view that the ongoing COVID 19 pandemic would not significant impact the Group's ability to operate as a going concern.

The effects of the war between Russia and Ukraine also impacted on the financial performance of the Group for the year ended 31 March 2022 as the business experienced significant price increases in fertilizer, chemicals and fuels. Both the Euro and US dollar traded at weaker levels with the former registering higher movement. This affected both sugar and ethanol revenues and associated trade collections. The Group is implementing various strategies to mitigate the associated risks. Based on this, the directors are of the view that the ongoing conflict in Ukraine would not significant impact the Group's ability to operate as a going concern.

43. Material Events After Year-End

There are no other matters, which are material to the financial affairs of the Company and Group, that have occurred between the reporting date and the date of approval of the financial statements.


We
are an
AGRIBUSINESS
that competetively
and sustainably
adds value for all
stakeholders.


Standing true to our values