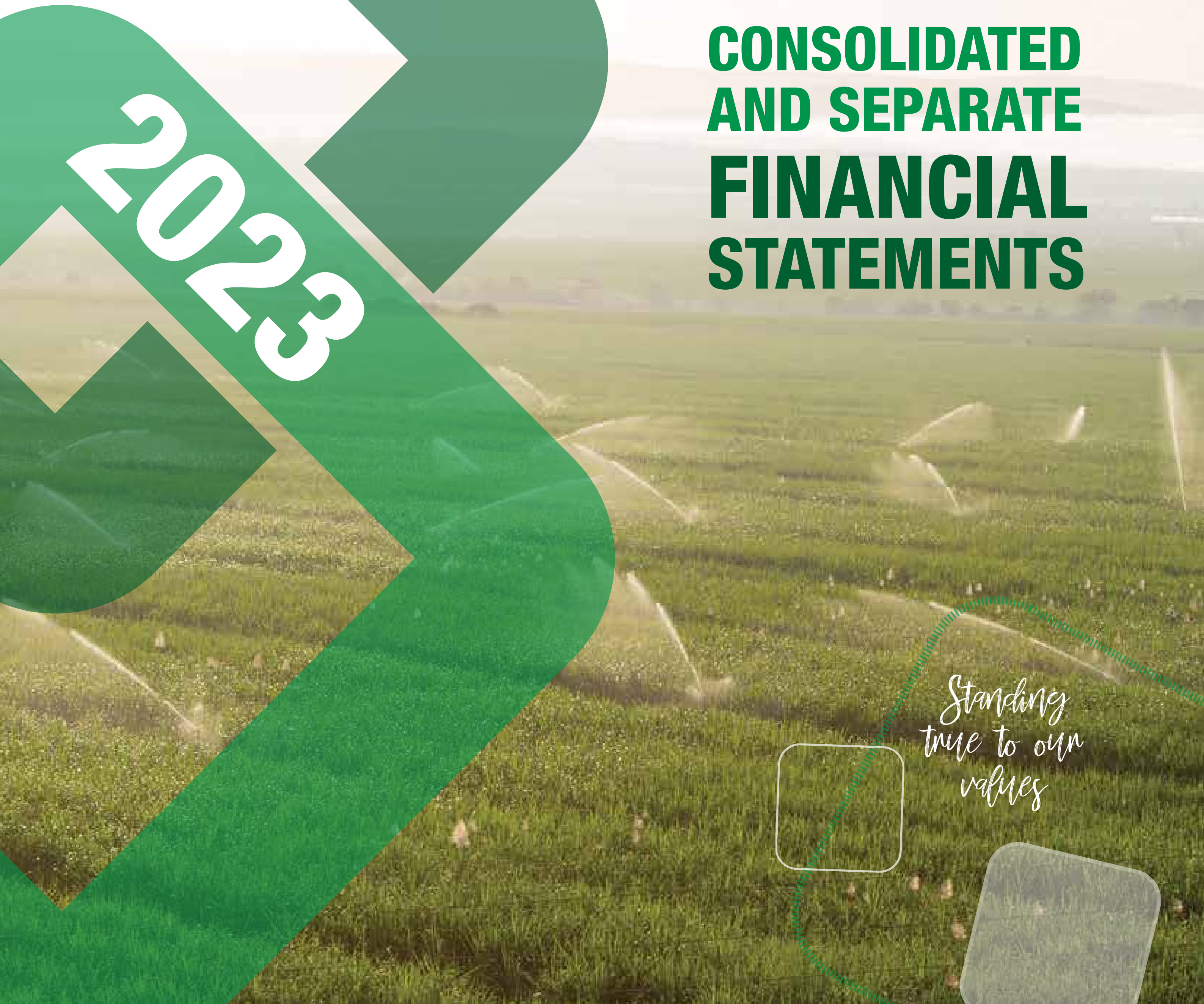
CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS



RES CORPORATION

Consolidated and Separate Financial Statements

For the year ended 31 March 2023

CONTENTS

Statement of responsibility by the Board of Directors 2

Independent auditors' report .... 3 - 5

Directors' report .... 6 - 7

Statements of financial position 8

Statements of profit or loss and other comprehensive income 9

Statements of changes in equity 10

Statements of cash flows 11

Notes to the financial statements .... 12 - 57

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 2023, the 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, 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 57, were approved by the board of directors on 30 June 2023 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 57 which comprise the statements of financial position as at 31 March 2023, 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 2023, 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 39.1 and 39.5 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 E286 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 conflict in Ukraine. • We assessed the appropriateness of the disclosures made in the consolidated financial statements against requirements of IAS 36 *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 39.7 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 E745 029 000 in the consolidated financial statements and E445 725 000 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 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
18 July 2023
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 2023.

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 for the financial year ended 31 March 2023 reflects trade under adverse climatic conditions and disruptions with unprecedented winter rains that forced the extension of the season into an un-ideal rainy season. Combined with cane cutter strikes, the crushing season extended into early February 2023. Despite the mills processing higher cane, sugar volume was 1% lower than for 31 March 2022, due to lower sugar recoveries. The recoveries were affected by the longer burn-to-crush times as a result of the difficulties that come with harvesting cane in wet conditions.

Operating costs were significantly higher, due to the inherent inefficiency embedded in harvesting and crushing under the wet winter and summer conditions. The geopolitical impact of the cost inflation due to the Russia/Ukraine conflict was present throughout the financial year, exacerbating an already difficult trading period. Cost containment measures were initiated for both operating and capital expenditures.

In March 2023 the company acquired a 35% share interest in Enviro Applied Products (Proprietary) Limited at a price of E28.471 million. Enviro Applied Products is in the business of producing and selling liquid fertilizer and is located within the Lowveld of Eswatini.

As at the date of these financial statements, extension of lease agreements for land leased from Tibiyo TakaNgwane were at an advanced stage and await signature. Subsequent to year end, the lease agreements were all signed for an initial lease period of 25 years with an option for renewal for another 25 years.

Dividends

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

- A first interim dividend for the year ended 31 March 2023 of 53.5 cents (2022 – 125.0 cents) per share which was paid in November 2022;
- During the current financial there was no second or final dividend declared for the year ended 31 March 2023 (2022 - 67.9 cents) per share.

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 *(Resigned - 31 March 2023)*	
Z R Magagula	
B Mkhaliphi	
Chief Z N Ndlangamandla	
M S M Shongwe	
I G van der Walt	
A Westermeyer	
S Okolieaboh *(Appointed - 31 March 2023)*	

Alternates

M Ndlela	(to J N Gule)
A Ngcobo	(to A T Dlamini)
A Adeyemi *(Resigned - 31 March 2023)*	(to I Ahmed)
U O Osakwe *(Appointed - 31 March 2023)*	(to S Okolieaboh)

Secretary and registered office

Secretary
L S Masango

Registered Office
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
Vacant	Agricultural Manager - Services
M Gama	Agricultural Manager - Production
B Shongwe	Agricultural Manager - Water Resources
V Malubane	Agronomy Manager
J Tfwala	Factories Manager
O Marais	Engineering Services and Projects Manager

Finance

D V Dhliwayo *	General Manager – Finance
M Zwane	Financial Manager – Business Planning & Reporting
T Sifundza	Financial Manager – Financial Management

Human Resources

B Masuku*	Group Human Capital Manager
B A Maziya	Head: Human Resources Operations
Vacant	Head: Learning and Talent
Dr R Shoshore	Head: Medical and Wellness Services
Vacant	Employee Relations Manager
M Masuku	Remuneration & Human Capital Systems Manager

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 2023

	Note	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Assets					
Property, plant and equipment	8	2 628 966	2 228 442	1 373 158	1 211 089
Goodwill	9	286 481	286 481	-	-
Intangible assets	10	49 739	50 863	47 980	50 466
Investments in subsidiaries	11	-	-	666 474	666 474
Equity accounted investees	12	212 744	194 643	80 971	52 500
Derivative assets	21	2 006	-	526	-
Deferred tax assets	30.4	8	33	-	-
Total non-current assets		3 179 944	2 760 462	2 169 109	1 980 529
Inventories	14	214 345	174 558	124 104	96 511
Biological asset - growing cane	13.2	745 029	816 272	445 725	485 785
Biological asset - livestock	13.3	19 522	18 623	-	-
Trade and other receivables	15	392 263	330 687	283 004	300 497
Derivative assets	21	3 160	-	829	-
Taxation prepaid	35.2	24 154	21 259	23 503	-
Cash and cash equivalents	16	38 597	71 903	23 206	49 989
Total current assets		1 437 070	1 433 302	900 371	932 782
Total assets		4 617 014	4 193 764	3 069 480	2 913 311
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		1 890 231	1 763 243	1 260 853	1 173 704
Total equity		2 729 353	2 602 365	2 099 975	2 012 826
Liabilities					
Deferred tax liabilities	30.4	609 743	546 652	362 887	321 184
Loans and borrowings	19	474 427	286 489	121 181	98 765
Employee benefit liabilities	20	93 303	98 300	66 879	69 169
Derivative liabilities	21	-	2 399	-	629
Total non-current liabilities		1 177 473	933 840	550 947	489 747
Trade and other payables	22	418 158	394 677	255 713	240 909
Short term employee benefit liabilities	23	74 701	92 965	43 745	53 909
Derivative liabilities	21	-	2 352	-	617
Bank overdraft	16	89 558	-	87 511	-
Current portion of loans and borrowings	19	127 133	76 890	31 589	24 627
Current tax liabilities	35.2	638	25 257	-	25 258
Dividends payable	35.3	-	65 418	-	65 418
Total current liabilities		710 188	657 559	418 558	410 738
Total liabilities		1 887 661	1 591 399	969 505	900 485
Total equity and liabilities		4 617 014	4 193 764	3 069 480	2 913 311

STATEMENTS OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2023

	Note	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Revenue	25	4 146 053	3 627 535	2 295 896	2 067 817
Cost of sales		(3 433 460)	(2 858 510)	(1 865 677)	(1 590 448)
Change in fair value of biological assets	13	(70 344)	67 802	(40 060)	53 157
Gross profit		642 249	836 827	390 159	530 526
Other income	26	87 100	78 824	74 585	110 380
Distribution expenses		(10 575)	(8 382)	(10 575)	(8 382)
Administration expenses		(487 242)	(520 967)	(275 265)	(295 584)
Impairment (loss)/reversal on trade receivables		(99)	(637)	292	(195)
Operating profit	27	231 433	385 665	179 196	336 745
Finance income		16 100	20 693	12 193	15 358
Finance costs		(24 181)	(31 678)	(11 884)	(13 890)
Net finance (cost)/ income	29	(8 081)	(10 985)	309	1 468
Share of profit of equity accounted associate companies (net of in-come tax)	12	18 338	28 617	-	-
Profit before taxation		241 690	403 297	179 505	338 213
Income tax expense	30.1	(63 942)	(105 315)	(41 809)	(74 570)
Profit attributable to owners of the Company		177 748	297 982	137 696	263 643
Other comprehensive income (OCI)					
Items that will not be reclassified to profit or loss					
Remeasurements of defined benefit liabilities	20	1 083	6 400	1 377	4 610
Related deferred tax	30.2	(298)	(1 760)	(379)	(1 268)
Other comprehensive income, net of tax		785	4 640	998	3 342
Total comprehensive income for the year attributable to owners of the Company		178 533	302 622	138 694	266 985
Basic and diluted earnings per share (cents)	31	184.5	309.3	142.9	273.6

Dividend per share is disclosed in note 17.3

STATEMENTS OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MARCH 2023

	Share Capital E'000	Share Premium E'000	Preference Share Redemption Reserve E'000	Retained Earnings E'000	Total E'000
2023 Group					
Balance at 1 April 2022	128 639	632 379	78 104	1 763 243	2 602 365
Profit	-	-	-	177 748	177 748
Other comprehensive income	-	-	-	785	785
Total comprehensive income for the year	-	-	-	178 533	178 533
Transactions with owners recorded directly in equity					
- Dividends (note 17.3)	-	-	-	(51 545)	(51 545)
Balance at 31 March 2023	128 639	632 379	78 104	1 890 231	2 729 353
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
2023 Company					
Balance at 1 April 2022	128 639	632 379	78 104	1 173 704	2 012 826
Profit	-	-	-	137 696	137 696
Other comprehensive income	-	-	-	998	998
Total comprehensive income for the year	-	-	-	138 694	138 694
Transactions with owners recorded directly in equity					
- Dividends (note 17.3)	-	-	-	(51 545)	(51 545)
Balance at 31 March 2023	128 639	632 379	78 104	1 260 853	2 099 975
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

STATEMENTS OF CASH FLOWS
FOR THE YEAR ENDED 31 MARCH 2023

	Note	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Cash flows from operating activities					
Cash generated from operations	35.1	449 178	493 453	302 755	164 599
Interest paid	29	(34 098)	(26 927)	(14 485)	(12 644)
Taxation paid	35.2	(28 638)	(67 861)	(49 246)	(51 381)
Net cash generated by operating activities		386 442	398 665	239 024	100 574
Cash flows from investing activities					
Finance income	29	16 100	20 693	12 193	15 358
Dividends received		23 458	17 780	35 197	72 236
Proceeds from sale of property, plant and equipment		742	812	322	12 163
Acquisition of property, plant and equipment	8	(647 629)	(567 676)	(291 920)	(242 881)
Acquisition of intangible assets	10	(11 106)	(3 950)	(9 544)	(3 950)
Acquisition of associate	12	(15 313)	-	(15 313)	-
Net cash utilised in investing activities		(633 748)	(532 341)	(269 065)	(147 074)
Cash flows from financing activities					
Proceeds from loans and borrowings	19.1	326 600	135 000	57 600	67 500
Repayment of borrowings	19.1	(86 576)	(54 947)	(26 328)	(12 571)
Repayment of lease liability	19.1	(1 995)	(2 191)	(1 938)	(2 138)
Dividends paid	35.3	(116 963)	(225 066)	(116 963)	(225 066)
Net cash generated by/(utilised) in financing activities		121 066	(147 204)	(87 629)	(172 275)
Net decrease in cash and cash equivalents		(126 240)	(280 880)	(117 670)	(218 775)
Cash and cash equivalents at beginning of year	16	71 903	354 244	49 989	270 225
Effect of exchange rate fluctuations on cash held		3 376	(1 461)	3 376	(1 461)
Cash and cash equivalents at year end	16	(50 961)	71 903	(64 305)	49 989

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 2023 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 30 June 2023.

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 2023 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 36.3 – 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 36.2 – financial instruments.

5. Changes in significant accounting policies

New accounting pronouncements which have become effective from 1 April 2022 do not have a significant impact on the Group and Company's financial results or position. These include:

- Onerous Contracts Cost of Fulfilling a Contract (Amendments to IAS 37)
- Annual Improvements to IFRS Standards 2018-2020
- Property, Plant and Equipment: Proceeds before Intended Use (Amendments to IAS 16)
- Reference to the Conceptual Framework (Amendments to IFRS 3)

6. New standards and interpretation not yet adopted

A number of new standards are effective for annual periods beginning after 1 April 2023 and earlier application is permitted; however, the Group and Company has not early adopted the new or amended standards in preparing these financial statements.

The following amended standards and interpretations are not expected to have a significant impact on the Group and Company's financial statements.

- IFRS 17 Insurance Contracts (Amendments to IFRS 17)
- Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)
- Definition of Accounting Estimate (Amendments to IAS 8)
- Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction Amendments to IAS 12 Income Taxes
- Initial Application of IFRS 17 and IFRS 9 – Comparative Information (Amendment to IFRS 17)
- Classification of liabilities as current or non-current (Amendments to IAS 1)
- Lease Liability in a Sale and Leaseback (Amendment to IFRS 16)
- Non-current liabilities with Covenants (Amendments to IAS 1)
- Sale or Contribution of Assets between an Investor and its Associate or Joint Venture (Amendments to IFRS 10 and IAS 28)

IAS 12 amendment; IAS 28 amendment; IFRS 9 amendment; IFRS 16 amendment and IFRS 17 amendment are not applicable to the Group and Company.

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

The amendment to IAS 8 provides clarity on the definition of an accounting estimate. The Group and Company are already in compliance with the new clarified definition and therefore the adoption of the standard will have no impact on the results of the Group and Company.

The amendment to IAS 1 with respect to non-current liabilities with covenants will be effective for year ends commencing after 1 January 2024. The amendment provides clarity on when a company is considering the classification of a liability as either current or non-current, that the company should take into account covenants with which a company must comply with on or before the reporting date, such compliance with covenants could impact the classification of the liability as current or non-current. The Group and Company are already in compliance with the new clarified definition and therefore the adoption of the standard will have no impact on the results of the Group and Company.

The amendment to IAS 1 provides clarity on what constitutes significant accounting policies for disclosure in the financial statements. This amendment will reduce the number of accounting policies disclosed.

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 22 641 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 2023 or 2022.

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	
	2023 E'000	2022 E'000	2023 E'000	2022 E'000	2023 E'000	2022 E'000	2023 E'000	2022 E'000	2023 E'000	2022 E'000
External revenue	9 286	8 980	3 650 586	3 238 156	461 729	340 798	-	-	4 121 601	3 587 934
Inter segment revenue	1 166 803	1 049 686	-	-	-	-	(1 166 803)	(1 049 686)	-	-
Total revenue	1 176 089	1 058 666	3 650 586	3 238 156	461 729	340 798	(1 166 803)	(1 049 686)	4 121 601	3 587 934
External revenue of all other operations not meeting segment criteria									24 452	39 601
Total consolidated revenue									4 146 053	3 627 535
Reportable segment operating profit before corporate costs and income tax	63 696	292 388	454 396	475 152	127 078	64 226	-	-	645 170	831 766
Results of other operations not meeting segment criteria									(15 856)	(18 340)
Unallocated other income									83 564	78 824
Unallocated corporate costs									(481 651)	(506 793)
Unallocated net finance income									(7 875)	(10 777)
Share of profit of equity accounted associate companies									18 338	28 617
Consolidated profit before tax									241 690	403 297
Segment capital expenditure	379 219	342 278	147 059	111 962	85 295	79 191	47 162	38 195	658 735	571 626
Depreciation, amortisation and impairment	126 710	110 293	75 072	69 019	19 150	16 036	38 517	46 777	259 449	242 125
Increase/(decrease) in fair value of biological assets	(71 243)	68 357	-	-	-	-	899	(555)	(70 344)	67 802
Net foreign exchange gains	-	-	(3)	-	-	-	(3 713)	5 990	(3 716)	5 990

7.2 Geographical information

	Eswatini		South Africa		Consolidated	
	2023 E'000	2022 E'000	2023 E'000	2022 E'000	2023 E'000	2022 E'000
External revenue	4 146 053	3 627 535	-	-	4 146 053	3 627 535
Non-current assets	3 177 288	2 757 806	2 656	2 656	3 179 944	2 760 462
Capital expenditure	658 735	571 626	-	-	658 735	571 626

Inter-segment sales from Eswatini to South Africa were E nil (2022 – 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 39.4.

	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 2021	728 506	2 001 892	621 084	517 108	394 957	140 336	4 403 883
Right of Use of Asset (note 38.1)	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
Balance at 1 April 2022	792 317	2 111 029	694 806	574 680	474 876	317 456	4 965 164
Right of Use of Asset (note 38.1)	152	-	-	-	-	-	152
Additions	-	-	-	-	-	647 629	647 629
Transfers from CWIP	131 744	298 719	212 934	39 598	62 784	(745 779)	-
Disposals	(550)	(283)	-	(3 167)	-	-	(4 000)
Balance at 31 March 2023	923 663	2 409 465	907 740	611 111	537 660	219 306	5 608 945
Accumulated depreciation and impairment losses							
Balance at 1 April 2021	(369 763)	(1 164 954)	(413 564)	(362 399)	(211 032)	-	(2 521 712)
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)
Balance at 1 April 2022	(386 574)	(1 244 116)	(444 171)	(403 872)	(257 989)	-	(2 736 722)
Depreciation for the year	(22 154)	(90 838)	(43 066)	(43 083)	(48 078)	-	(247 219)
Disposals	8	-	-	3 954	-	-	3 962
Balance at 31 March 2023	(408 720)	(1 334 954)	(487 237)	(443 001)	(306 067)	-	(2 979 979)
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
Carrying value at 31 March 2023	514 943	1 074 511	420 503	168 110	231 593	219 306	2 628 966

Property, plant and equipment includes right-of-use assets of E5 319 824 related to leased properties that do not meet the definition of investment property, and E582 796 in respect of other computer equipment.

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

See accounting policies in note 39.4.

	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 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
Balance at 1 April 2022	485 740	1 097 160	466 452	314 775	252 933	144 567	2 761 627
Right of Use of Asset (note 38.1)	44	-	-	-	-	-	44
Additions	-	-	-	-	-	291 920	291 920
Transfers from CWIP	49 758	179 755	70 345	28 460	32 279	(360 597)	-
Disposals	(534)	(283)	-	(1 089)	-	-	(1 906)
Balance at 31 March 2023	535 008	1 276 632	536 797	342 146	285 212	75 890	3 051 685
Accumulated depreciation and impairment losses							
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)
Balance at 1 April 2022	(237 445)	(626 358)	(318 021)	(215 286)	(153 428)	-	(1 550 538)
Depreciation for the year	(12 179)	(45 618)	(24 068)	(24 820)	(23 188)	-	(129 873)
Disposals	1	-	-	1 883	-	-	1 884
Balance at 31 March 2023	(249 623)	(671 976)	(342 089)	(238 223)	(176 616)	-	(1 678 527)
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
Carrying value at 31 March 2023	285 385	604 656	194 708	103 923	108 596	75 890	1 373 158

Property, plant and equipment includes right-of-use assets of E2 439 948 related to leased properties that do not meet the definition of investment property, and E582 796 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 E279 030 137 (2022 – E241 223 858).

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 (2022 – 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 19.2).

9. Goodwill

See accounting policies in notes 39.1 and 39.5.

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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 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 industry 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 with a terminal growth rate of 5.5% thereafter.
- A pre-tax discount rate of 13.86% 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 43% at a pre-tax market interest rate of 11.25%. 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 E461 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 15.83%.

10. Intangible assets

See accounting policies in note 39.6

	Acquired software E'000	Favourable lease contracts E'000	Total E'000
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)
Disposals	(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
2023 Group			
Gross carrying amount			
Balance at 1 April 2022	223 037	2 120	225 157
Additions	11 106	-	11 106
Balance at 31 March 2023	234 143	2 120	236 263
Accumulated amortisation and impairment			
Balance at 1 April 2022	(173 694)	(600)	(174 294)
Amortisation for the year	(20 965)	(47)	(21 012)
Impairment reversal	8 782	-	8 782
Balance at 31 March 2023	(185 877)	(647)	(186 524)
Carrying value at 31 March 2023	48 266	1 473	49 739

10. Intangible assets *(continued)*

See accounting policies in note 39.6

	Acquired software E'000	Favourable lease contracts E'000	Total E'000
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
2023 Company			
Gross carrying amount			
Balance at 1 April 2022	208 885	2 120	211 005
Additions	9 544	-	9 544
Balance at 31 March 2023	218 429	2 120	220 549
Accumulated amortisation and impairment			
Balance at 1 April 2022	(159 939)	(600)	(160 539)
Amortisation for the year	(20 765)	(47)	(20 812)
Impairment reversal	8 782	-	8 782
Balance at 31 March 2023	(171 922)	(647)	(172 569)
Carrying value at 31 March 2023	46 507	1 473	47 980

An impairment loss previously recognised in respect of purchased software used for financial budgeting and reporting was reversed in the current financial year. Improvements were effected to the software during the financial year, rendering it useable. The amount reversed was E8 781 748 and was equivalent to the amount of impairment previously recognised.

11. Investments in subsidiaries

See accounting policies in note 39.1.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 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 39.1.

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), as well as packing various retail chain inhouse brands.

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 resellers 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.
- 35% equity interest in Enviro Applied Products (Proprietary) Limited whose principal business activity is the processing and selling of liquid fertiliser and is located the Lowveld area of Eswatini. The Company acquired the 35% interest with effect from 01 March 2023.

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.

	2023 Mananga Sugar Packers E'000	2022 Mananga Sugar Packers E'000	2023 Enviro Applied Products E'000	2022 Enviro Applied Products E'000	2023 Simunye Plaza E'000	2022 Simunye Plaza E'000	2023 Quality Sugars E'000	2022 Quality Sugars E'000	2023 Total E'000	2022 Total E'000
Group										
The carrying amount of the investments are analysed below:										
Shares at cost	52 500	52 500	28 471	-	-	-	-	-	80 971	52 500
Share of associate company reserves	128 118	124 904	(13 548)	-	6 185	5 273	11 018	11 966	131 773	143 143
	180 618	177 404	14 923	-	6 185	5 273	11 018	11 966	212 744	194 643
Summary of unaudited financial information for equity accounted investees is as follows:										
Property, plant and equipment	41 311	39 146	36 210	-	13 803	11 721	15 801	33 004	107 125	83 871
Goodwill	18 139	18 139	-	-	-	-	3 751	3 751	21 890	21 890
Current assets	425 023	388 167	50 518	-	12 792	12 387	669 721	674 101	1 158 054	1 074 655
Deferred tax (liabilities) / assets	(12 138)	(12 138)	570	-	6	106	699	2 175	(10 863)	(9 857)
Employee benefit liability	-	-	-	-	(198)	(238)	(1 083)	(1 061)	(1 281)	(1 299)
Lease Liability	-	-	(985)	-	-	-	(16 872)	(33 360)	(17 857)	(33 360)
Current liabilities	(111 099)	(78 506)	(43 676)	-	(1 665)	(2 884)	(627 947)	(630 748)	(784 387)	(712 138)
Net assets	361 236	354 808	42 637	-	24 738	21 092	44 070	47 862	472 681	423 762
Group's share of associate's net assets	180 618	177 404	14 923	-	6 185	5 273	11 018	11 966	212 744	194 643
Revenue	1 178 948	1 142 840	16 711	-	9 743	9 714	70 745	83 724	1 276 147	1 236 278
Profit	30 733	48 902	1 292	-	6 272	4 056	3 808	12 608	42 105	65 566
Group share of profit for the year	15 366	24 451	452	-	1 568	1 014	952	3 152	18 338	28 617
Reconciliation of carrying amounts										
Opening Balance at 1 April	177 404	167 317	-	-	5 273	4 725	11 966	11 764	194 643	183 806
Acquisition cost*	-	-	28 471	-	-	-	-	-	28 471	-
Group share of profit for the year	15 366	24 451	452	-	1 568	1 014	952	3 152	18 338	28 617
Dividends received	(12 152)	(14 364)	(14 000)	-	(656)	(466)	(1 900)	(2 950)	(28 708)	(17 780)
Closing balance at 31 March	180 618	177 404	14 923	-	6 185	5 273	11 018	11 966	212 744	194 643

* The purchase price for the acquisition of the interest in Enviro Applied Products was split into two. The first instalment of E15 313 000 was paid in March 2023, and the balance of E13 158 225 was paid subsequent year end in April 2023.

13. Biological assets

See accounting policies in note 39.7

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 22 641 (2022 – 21 655 hectares of land leased from Tibiyo TakaNgwane (refer note 8). The Group manages a further 1 004 (2022 – 1 004) 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 12 547 (2022 – 12 241) hectares of land leased from Tibiyo TakaNgwane and 31 (2022 – 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 2023, the livestock business held 2 903 (2022 – 3 875) head of cattle.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
13.2 Reconciliation of carrying amounts of growing cane				
Carrying amount at 1 April	816 272	747 915	485 785	432 628
(Loss)/gain arising from changes in fair values less estimated costs to sell attributable to physical changes	(146 685)	19 577	(84 419)	22 602
Gain arising from changes in fair values less estimated costs to sell attributable to price changes	75 442	48 780	44 359	30 555
Balance at 31 March	745 029	816 272	445 725	485 785
13.3 Reconciliation of carrying amounts of livestock				
Balance at 1 April	18 623	19 178	-	-
Purchases – normal business	8 778	6 073	-	-
Net increase due to births, deaths and fair value adjustment	6 809	5 025	-	-
Decrease due to sales	(14 688)	(11 653)	-	-
Balance at 31 March	19 522	18 623	-	-

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, disease, 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 19.2).

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 the 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 2022	816 272	18 623	834 895	485 785	-	485 785
Purchases	-	8 778	8 778	-	-	-
Sales	-	(14 688)	(14 688)	-	-	-
Gain included in profit or loss						
- Change in fair value (unrealised)	(71 243)	-	(71 243)	(40 060)	-	(40 060)
- Net increase due to births, deaths and fair value adjustment	-	6 809	6 809	-	-	-
Carrying amount at 31 March 2023	745 029	19 522	764 551	445 725	-	445 725

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 39.8

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Consumable stores and spares	201 307	160 841	111 747	83 662
Finished goods and by products	13 038	13 717	12 357	12 849
	214 345	174 558	124 104	96 511
Write down of obsolete consumable stores and spares to net realisable value included in profit or loss	14 647	11 343	5 555	3 478

The full value of the carrying amounts of inventories as at reporting date are pledged as security over borrowings (note 19.2).

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000

15. Trade and other receivables

See accounting policies in note 39.3

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Trade receivables	263 719	239 481	143 800	141 921
Related party receivables (note 37.1)	3 241	1 127	39 145	88 875
Prepayments	113 103	89 661	95 089	70 276
Other receivables	13 881	2 240	5 664	379
Less: impairment (note 36.3)	(1 681)	(1 822)	(694)	(954)
	392 263	330 687	283 004	300 497

The full value of the carrying amounts of receivables as at the reporting date are pledged as security over borrowings (note 19.2).

Information about the Group's exposure to credit and market risks, and impairment losses for trade receivables is included in Note 36.3.

16. Cash and cash equivalents

See accounting policies in note 39.3

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Bank balances	33 438	58 844	19 446	43 647
Cash on hand	177	407	56	52
Call deposit	4 982	12 652	3 704	6 290
	38 597	71 903	23 206	49 989
Bank overdraft	(89 558)	-	(87 511)	-
Per statement of cash flows	(50 961)	71 903	(64 305)	49 989

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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
17. Share capital and premium *(continued)*				
17.3 Dividends				
1st Interim dividend for the year ended 31 March 2023 of 53.5 cents (2022 – 125.0 cents) per "A" and "B" ordinary shares.	51 545	120 433	51 545	120 433
Final dividend for the year ended 31 March 2023 of nil cents (2022 – 67.9 cents) per "A" and "B" ordinary shares.	-	65 419	-	65 419
	51 545	185 852	51 545	185 852

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 6.5% (2022 – 11.6%). 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Total equity	2 729 353	2 602 365	2 099 975	2 012 826
Capital	2 729 353	2 602 365	2 099 975	2 012 826
Total equity	2 729 353	2 602 365	2 099 975	2 012 826
Loans and borrowings	684 368	354 786	236 569	117 786
Lease liabilities	6 750	8 593	3 712	5 606
Overall financing	3 420 471	2 965 744	2 340 256	2 136 218
Capital - to - overall financing ratio	80%	88%	90%	94%

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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
19. Loan and borrowings				
1. Standard Bank Eswatini Limited	58 126	77 500	-	-
2. Nedbank Eswatini Limited	85 713	114 286	37 715	50 286
3. First National Bank of Eswatini Limited	21 000	28 000	-	-
4. Aluwani Fund Managers	107 228	67 500	-	-
5. Nedbank Eswatini Limited	57 857	67 500	57 857	67 500
6. Standard Bank Eswatini Limited	53 486	-	53 486	-
7. First National Bank of Eswatini Limited	211 400	-	-	-
8. Leases	6 750	8 593	3 712	5 606
	601 560	363 379	152 770	123 392
Deduct: current portion included in current liabilities	(127 133)	(76 890)	(31 589)	(24 627)
Total non-current loans and borrowings	474 427	286 489	121 181	98 765

1. Standard Bank Eswatini Limited - The loan is repayable in 16 half-yearly installments that commenced on 30 September 2018. The loan bears interest at the Eswatini prime rate, currently 10.25%, less 1% (2022: 7.5%, less 1%).

2. Nedbank Eswatini Limited - The loan is repayable in 14 half-yearly installments that commenced on 30 September 2019. The loan bears interest at the Eswatini prime rate, currently 10.25% less 1% (2022: 7.5%, less 1%).

3. First National Bank of Eswatini Limited - The loan is repayable in 10 half-yearly installments, commencing on 30 September 2021. The loan bears interest at the Eswatini prime rate, currently 10.25%, less 1% (2022: 7.5%, less 1%).

4. Aluwani Fund Managers - The loan is repayable in 14 half-yearly installments, commencing on 30 September 2022. The loan bears interest at the Eswatini prime rate, currently 10.25%, less 1.5% (2022: 7.5%, less 1.5%)

5. Nedbank Eswatini Limited - The loan is repayable in 14 half-yearly installments, commencing on 30 September 2022. The loan bears interest at the Eswatini prime rate, currently 10.25%, less 1% (2022: 7.5%, less 1%).

6. Standard Bank Eswatini Limited - The loan is repayable in 14 half-yearly installments that commenced on 31 March 2023. The loan bears interest at the Eswatini prime rate, currently 10.25%.

7. First National Bank of Eswatini Limited - The loan is repayable in 14 half-yearly installments, commencing on 30 September 2023. The loan bears interest at the Eswatini prime rate, currently 10.25%, less 1.25%.

8. Leases - Leases relate to land, buildings and computer equipment that are accounted for under IFRS 16.

	Bank overdrafts used for cash management purposes		Other loans and borrowings		Leases	
	2023 E'000	2022 E'000	2023 E'000	2022 E'000	2023 E'000	2022 E'000
19.1 Reconciliation of movements of liabilities to cash flows arising from financing activities						
Group						
Balance at 1 April	-	-	354 786	274 733	8 593	10 684
Non-cash Additions	-	-	-	-	152	100
- Changes from financing cash flows						
Proceeds from loans and borrowings	89 558	-	326 600	135 000	-	-
Repayment of borrowings	-	-	(86 576)	(54 947)	(1 995)	(2 191)
Total changes from financing cash flows	89 558	-	240 024	80 053	(1 995)	(2 191)
- Other changes						
Interest expense	1 080	12	23 390	20 102	659	823
Interest paid	(1 080)	(12)	(23 390)	(20 102)	(659)	(823)
Total liability-related other changes	-	-	-	-	-	-
Balance at 31 March	89 558	-	594 810	354 786	6 750	8 593

19. Loan and borrowings (continued)

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

	Bank overdrafts used for cash management purposes 2023 E'000	Bank overdrafts used for cash management purposes 2022 E'000	Other loans and borrowings 2023 E'000	Other loans and borrowings 2022 E'000	Leases 2023 E'000	Leases 2022 E'000
Company						
Balance at 1 April	-	-	117 786	62 857	5 606	7 744
Non-cash Additions	-	-	-	-	44	-
- *Changes from financing cash flows*						
Proceeds from loans and borrowings	87 511	-	57 600	67 500	-	-
Repayment of borrowings	-	-	(26 328)	(12 571)	(1 938)	(2 138)
Total changes from financing cash flows	87 511	-	31 272	54 929	(1 938)	(2 138)
- *Other changes*						
Interest expense	1 015	8	11 349	4 743	417	637
Interest paid	(1 015)	(8)	(11 349)	(4 743)	(417)	(637)
Total liability-related other changes	-	-	-	-	-	-
Balance at 31 March	87 511	-	149 058	117 786	3 712	5 606

19.2 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 E422.5 million in favour of First National Bank of Eswatini Limited;
- Deed of hypothecation for E125.2 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 between 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 39.11

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Retirement pay	68 355	63 917	50 553	47 859
Long service awards	12 015	11 120	8 954	8 050
Actuarially valued employee benefit liabilities	80 370	75 037	59 507	55 909
Long term incentive scheme	33 890	51 077	19 317	29 114
Total employee benefit liabilities	114 260	126 114	78 824	85 023
Deduct: current portion included in current liabilities (note 23)	(20 957)	(27 814)	(11 945)	(15 854)
	93 303	98 300	66 879	69 169

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 2023. The actuarially valued liabilities are accordingly reported as follows at 31 March 2023:

20. Employee benefit liabilities *(continued)*

	2023 Retirement pay E'000	2023 Long service awards E'000	2023 Total E'000	2022 Retirement pay E'000	2022 Long service awards E'000	2022 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	68 355	12 015	80 370	63 917	11 120	75 037
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	68 355	12 015	80 370	63 917	11 120	75 037
Movement in present value of the obligation:						
Opening liability	63 917	11 120	75 037	70 704	11 921	82 625
Included in profit or loss:						
- Current service cost	3 513	1 149	4 662	3 579	1 154	4 733
- Interest cost	6 642	1 170	7 812	6 227	1 079	7 306
- Actuarial loss/(gain) recognised	-	182	182	-	(867)	(867)
	74 072	13 621	87 693	80 510	13 287	93 797
Included in OCI:						
- Actuarial gain recognised	(1 083)	-	(1 083)	(6 400)	-	(6 400)
Other:						
- Benefits paid	(4 634)	(1 606)	(6 240)	(10 193)	(2 167)	(12 360)
Closing liability	68 355	12 015	80 370	63 917	11 120	75 037
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	50 553	8 954	59 507	47 859	8 050	55 909
Unrecognised actuarial gain	-	-	-	-	-	-
Liability recorded in statement of financial position	50 553	8 954	59 507	47 859	8 050	55 909
Movement in present value of the obligation:						
Opening liability	47 859	8 050	55 909	48 358	8 581	56 939
Included in profit or loss:						
- Current service cost	2 505	833	3 338	2 559	814	3 373
- Interest cost	4 964	841	5 805	4 452	777	5 229
- Actuarial loss/(gain) recognised	-	514	514	-	(607)	(607)
	55 328	10 238	65 566	55 369	9 565	64 934
Included in OCI:						
- Actuarial gain recognised	(1 377)	-	(1 377)	(4 610)	-	(4 610)
Other:						
- Benefits paid	(3 398)	(1 284)	(4 682)	(2 900)	(1 515)	(4 415)
Closing liability	50 553	8 954	59 507	47 859	8 050	55 909

	Group 2023	Group 2022	Company 2023	Company 2022
The principal actuarial assumptions used were as follows:				
Discount rates	10.70%	10.20%	10.70%	10.20%
Future salary increases	5.50%	5.50%	5.50%	5.50%

The gain on the defined benefit obligation is mostly as 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.

	2023 1% Increase E'000	2023 1% Decrease E'000	2022 1% Increase E'000	2022 1% Decrease E'000
Group				
Discount Rate				
Retirement plan	(4 456)	5 017	(4 662)	5 265
Long Service Award	(660)	731	(619)	687
Salary Increase				
Retirement plan	5 181	(4 662)	6 883	(6 123)
Long Service Award	708	(648)	909	(826)
Company				
Discount Rate				
Retirement plan	(3 303)	3 721	(3 358)	3 793
Long Service Award	(490)	544	(451)	501
Salary Increase				
Retirement plan	3 840	(3 452)	4 928	(4 380)
Long Service Award	525	(480)	659	(599)

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 statements of financial position. The sensitivity analyses are based on a change in one assumption while not changing any other assumptions. This analysis may not be representative of the actual change in the obligation as it is unlikely that the change in assumption would occur in isolation of another as some of the assumptions may be correlated.

21. Derivative (assets)/liabilities

See accounting policies in note 39.3

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

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Interest rate hedge				
Opening balance 1 April	4 751	-	1 246	-
Additions – initially recognised loss	-	10 722	-	2 881
Payments - cashflows	-	(3 036)	-	(795)
Changes in fair value gain recognised in statement of profit or loss	(9 917)	(2 935)	(2 601)	(840)
Closing balance at 31 March	(5 166)	4 751	(1 355)	1 246
Current portion of interest rate hedge	3 160	(2 352)	829	(617)
Long term portion of interest rate hedge	(2 006)	2 399	(526)	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 (note 19, item 1) and the Nedbank loans (note 19, item 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 are denominated in South African Rand which is currently at par with the Eswatini Emalangeni hence the ratio is one to 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000

22. Trade and other payables

See accounting policies in note 39.3

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Trade payables	367 899	353 646	210 365	199 317
Contract liabilities ethanol	8 679	10 580	8 679	10 580
Related party payables (note 37.1)	26 651	15 279	31 065	21 830
Retentions	8 493	7 161	2 231	5 087
FEC Liability	-	310	-	310
Tenant deposits	3 863	3 597	1 488	1 277
Other payables	2 573	4 104	1 885	2 408
	418 158	394 677	255 713	240 909

The Group and Company's contract liabilities relate to advance considerations received from customers for the purchase of ethanol, for which revenue is recognised at a point in time. Once the performance obligations are satisfied, upon delivery of ethanol to the customers, this would be recognised as revenue.

23. Short term employee benefits

See accounting policies in note 39.11

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Employee bonuses	18 837	35 776	10 927	20 599
Leave pay accrual	30 054	27 228	17 131	15 309
Employee accruals	4 853	2 147	3 742	2 147
	53 744	65 151	31 800	38 055
Current portion of long-term employee benefits (note 20)	20 957	27 814	11 945	15 854
	74 701	92 965	43 745	53 909

24. Bank overdraft

Bank overdraft facilities of the Company (E148 million) and its subsidiary, Mhlume Sugar Company Limited (E20 million) are in place. Included in the total bank overdraft facilities of E168 million, is an overdraft facility amounting to E90 million from Standard Bank that has been secured over receivables. Other overdraft facilities are not secured.

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 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Sucrose and sugar sales - Eswatini				
Inter group sucrose sales for the year	-	-	115 446	77 804
Final sucrose price adjustment for the previous year based on final sugar price	-	-	107	49
Sale of sugar for the year	3 659 521	3 232 351	1 709 667	1 641 461
Final sugar price adjustment for previous year from Eswatini Sugar Association	(8 935)	5 806	(1 438)	(1 131)
Total sugar sales – sugar segment	3 650 586	3 238 157	1 823 782	1 718 183
Ethanol sales				
Eswatini and South Africa	190 530	159 231	190 530	159 231
Regional	94 997	50 781	94 997	50 781
Europe	135 903	88 284	135 903	88 284
Asia	40 299	42 501	40 299	42 501
Total ethanol sales – ethanol segment	461 729	340 797	461 729	340 797
Other sales - Eswatini				
Seedcane and harvesting services – Cane segment	9 286	8 980	985	266
Citrus and Beans	9 400	8 571	9 400	8 571
Butchery, leisure and ecotourism	15 052	31 030	-	-
All other operations not meeting segment criteria	24 452	39 601	9 400	8 571
Total other sales	33 738	48 581	10 385	8 837
Revenue total	4 146 053	3 627 535	2 295 896	2 067 817

25.3 Disaggregation of revenue by geographic region

In the following table, revenue from contracts with customers is disaggregated by geographical market.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Revenue by geographic market				
Eswatini	3 691 956	3 291 954	1 841 799	1 732 236
South Africa	182 898	154 015	182 898	154 015
Regional	94 997	50 781	94 997	50 781
Europe	135 903	88 284	135 903	88 284
Asia	40 299	42 501	40 299	42 501
Total Revenue	4 146 053	3 627 535	2 295 896	2 067 817

25. Revenue *(continued)*

25.4 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 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 normally 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 are 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 Group's 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 goods.	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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
26.	**Other income**				
	Dividends received	-	-	35 197	72 236
	Rental income	35 987	34 899	17 330	16 229
	Management fees	16 466	16 168	5 392	6 228
	Sundry sales of molasses	-	157	-	-
	School fees	8 546	8 114	4 877	4 625
	Consumable sales	12 112	11 424	5 824	5 939
	Scrap sales, canteen, clinic and sundry	13 989	8 062	5 965	5 123
		87 100	78 824	74 585	110 380
27.	**Operating profit**				
	The operating profit for the year is stated after charging/(crediting) the following:				
	Auditors' remuneration				
	- current year	1 156	1 043	622	595
	- prior year	1 208	1 082	659	589
	- other services	413	552	252	272
	- disbursements	771	890	575	802
	Amortisation of intangible assets (note 10)	21 012	21 562	20 812	21 384
	Impairment reversal of Intangible assets (note 10)	(8 782)	-	(8 782)	-
	Depreciation of property, plant and equipment (note 8)	247 219	220 563	129 873	120 115
	Directors' emoluments				
	- for services as directors	4 363	3 934	4 363	3 934
	- expenses	703	662	703	662
	Lease expense	4 918	3 746	4 326	3 147
	(Gain)/loss on disposal of property, plant and equipment	(704)	130	(300)	15
	Loss on disposal of intangible asset	-	4 248	-	4 248
28.	**Employee benefit expenses**				
	Salaries, wages, and incentive scheme accruals	893 096	836 660	458 748	434 805
	Contributions to defined contribution plans	38 348	36 547	19 721	18 809
	Expense related to defined benefit plan (note 20)	12 474	12 039	9 143	8 602
	Increase in liability for leave pay	9 783	8 018	5 598	4 508
		953 701	893 264	493 210	466 724
29.	**Net finance income**				
	Interest income on cash and cash equivalents	12 384	20 693	8 790	15 358
	Net foreign exchange gain	3 716	-	3 403	-
	Finance income	16 100	20 693	12 193	15 358
	Interest expense on financial liabilities measured at amortised cost	(33 439)	(20 114)	(14 014)	(5 922)
	Interest on leases	(659)	(823)	(471)	(636)
	Net foreign exchange loss	-	(5 990)	-	(6 086)
	Subtotal	(34 098)	(26 927)	(14 485)	(12 644)
	Fair value changes	9 917	(4 751)	2 601	(1 246)
	Finance cost	(24 181)	(31 678)	(11 884)	(13 890)
	Net finance (cost)/income recognised in profit or loss	8 081	10 985	309	1 468

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
30. Income taxes				
30.1 Amounts recognised in profit or loss				
Current tax expense				
Eswatini current tax				
- current year	1 124	47 523	485	47 006
	1 124	47 523	485	47 006
Deferred tax				
- origination and reversal of temporary differences	62 818	57 792	41 324	27 564
	62 818	57 792	41 324	27 564
Total tax expense	63 942	105 315	41 809	74 570

The Company has estimated tax loses of E13 040 853 available for set off against future taxable earnings. The Group at a subsidiary level has additional tax losses of E209 139 821 (2022: E114 760 929) available for set off against future taxable earnings

	Group 2023	Group 2022	Company 2023	Company 2022
30.2 Amounts recognised in OCI				
Deferred tax charge on measurement of defined benefit liability	298	1 760	379	1 268
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	(1.1)	(0.7)	-	-
- Tax-exempt dividend income	(2.9)	(1.2)	(5.4)	(5.9)
- Foreign tax on dividend	0.2	-	0.3	-
- Non-deductible expense items	0.7	0.5	0.9	0.4
Tax expense as a percentage of profit before income tax	24.4	26.1	23.3	22.0
30.4 Recognised deferred tax assets and liabilities	E'000	E'000	E'000	E'000
Deferred tax assets				
Tax losses	61 099	31 559	3 586	-
Property, plant and equipment	8	33	-	-
Inventories	4 028	3 119	1 528	957
Defined benefit obligations	19 639	18 422	13 902	13 161
Employee bonuses, employee leave and other provisions	25 890	34 177	16 339	20 685
FEC liability	-	85	-	85
Income in advance	2 387	2 909	2 387	2 909
Finance lease liability	1 856	2 363	1 021	1 542
Customer provisions and deposits	1 749	1 525	809	661
Other Provisions	229	230	228	230
Deferred tax assets before set off	116 885	94 422	39 800	40 230
Set off against deferred tax liabilities	(116 877)	(94 389)	(39 800)	(40 230)
Deferred tax asset after set off	8	33	-	-
Deferred tax liabilities				
Property, plant and equipment	415 880	317 906	220 361	175 477
Intangible assets	405	418	405	418
Biological assets	273 947	289 124	152 438	161 063
Lease receivable	42	68	-	-
Agricultural consumable stores	12 752	10 001	6 237	4 425
Prepayments	25 486	22 264	25 138	18 772
Unrealised currency (losses)/gains	(1 892)	1 260	(1 892)	1 259
Deferred tax liabilities before set off	726 620	641 041	402 687	361 414
Deferred tax assets set off	(116 877)	(94 389)	(39 800)	(40 230)
Deferred tax liabilities after set off	609 743	546 652	362 887	321 184
Overall net deferred tax liabilities	609 735	546 619	362 887	321 184

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 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	546 619	487 067	321 184	292 352
Recognised in profit or loss (note 30.1)	62 818	57 792	41 324	27 564
Recognised in OCI (note 30.2)	298	1 760	379	1 268
Closing net deferred tax liability	609 735	546 619	362 887	321 184

31. Earnings per share

Group basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E177 748 011 (2022: E297 982 464) and 96 346 320 (2022: 96 346 320) weighted ordinary shares in issue.

Company basic and diluted earnings per share is based on profit attributable to ordinary shareholders of E137 695 736 (2022: E263 642 973) and 96 346 320 (2022: 96 346 320) weighted ordinary shares in issue.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Basic and diluted earnings per share (cents)	184.5	309.3	142.9	273.6

Due to the fact that there are no potential dilutive 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
33. Capital commitments				
Approved by the directors:				
Contracted for	75 638	130 604	23 353	100 821
Not contracted for	414 353	704 776	151 780	263 701
	489 991	835 380	175 133	364 522

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 subsequent financial year.

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 2023 E'000	Company 2022 E'000	Subsidiary 2023 E'000	Subsidiary 2022 E'000
Eswatini Government – Labour	60	60	75	75
Eswatini Government – General Bond	70	70	6	6
Eswatini Revenue Service – Customs and Excise	8 500	8 500	-	-
South African Revenue Service – VAT	550	550	-	-
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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
35. Notes to the statement of cash flows				
35.1 Cash flows from operating activities				
Profit before taxation	241 690	403 297	179 505	338 213
Adjusted for:				
Depreciation	247 219	220 563	129 873	120 115
Amortisation of intangible assets	21 012	21 562	20 812	21 384
Impairment reversal on intangible assets	(8 782)	-	(8 782)	-
Decrease/(increase) in fair value of biological assets - growing cane	71 243	(68 357)	40 060	(53 157)
(Increase)/decrease in fair value of biological assets - livestock	(899)	555	-	-
(Decrease)/increase in non-current employee benefits	(3 914)	(3 570)	(913)	2 235
(Profit) /loss on disposal of property, plant and equipment	(704)	130	(300)	15
Loss on disposal of intangible assets	-	4 248	-	4 248
Dividend income	-	-	(35 197)	(72 236)
Finance income	(16 100)	(20 693)	(12 193)	(15 358)
Finance costs	24 181	31 678	11 884	13 890
Unrealised currency (gain)/loss	(3 376)	1 461	(3 376)	1 461
Share of associated company net profit	(18 338)	(28 617)	-	-
Operating cash flows before movement in working capital	553 232	562 257	321 373	360 810
Movement in working capital				
Increase in inventory	(39 787)	(17 680)	(27 593)	(4 788)
(Increase)/decrease in trade and other receivables*	(56 326)	(77 184)	17 494	(140 091)
Increase/(decrease) in trade and other payables**	10 323	74 662	1 645	(25 719)
Decrease in short term employee benefits	(18 264)	(48 602)	(10 164)	(25 613)
Cash generated from operations	449 178	493 453	302 755	164 599
***(Increase)/ decrease in trade and other receivables**				
Movement per Statement of Financial Position	(61 576)	(77 184)	17 494	(140 091)
Accrued dividend income from associate	5 250	-	-	-
Net (increase)/decrease in trade and other receivables	(56 326)	(77 184)	17 494	(140 091)
A dividend income of E5.25 million from an associate was accrued and will be received in April 2023.				
****Increase/(decrease) in trade and other payables**				
Movement per Statement of Financial Position	23 481	77 662	14 803	(25 719)
Acquisition of associate accrual	(13 158)	-	(13 158)	-
Net increase/(decrease) in trade and other payables	10 323	74 662	1 645	(25 719)

The acquisition of associate accrual is in respect of purchase consideration which will be paid in May 2023.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000

35. Notes to the statement of cash flows *(continued)*

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
35.2 Taxation paid				
Balance owing/(prepaid) at 1 April	3 998	24 336	25 258	29 633
-Taxation prepaid	(21 259)	(5 297)	-	-
-Taxation due	25 257	29 633	25 258	29 633
Tax charge per statement of comprehensive income (note 30.1)	1 124	47 523	485	47 006
Balance (owing)/prepaid at 31 March	23 516	(3 998)	23 503	(25 258)
-Taxation prepaid	24 154	21 259	23 503	-
-Taxation due	(638)	(25 257)	-	(25 258)
Cash amount paid	28 638	67 861	49 246	51 381
35.3 Dividends paid				
Balance at 1 April	65 418	104 632	65 418	104 632
Declared during the year (note 17.3)	51 545	185 852	51 545	185 852
Balance at 31 March	-	(65 418)	-	(65 418)
Cash amount paid	116 963	225 066	116 963	225 066

36. Financial instruments – Fair values and risk management

36.1 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 2023 E'000	Fair value 2023 E'000	Carrying amount 2022 E'000	Fair value 2022 E'000
Group					
Financial assets not measured at fair value – Financial assets at amortised cost					
- Trade and other receivables	15	279 160	279 160	241 026	241 026
- Cash and cash equivalents	16	38 597	38 597	71 903	71 903
		317 757	317 757	312 929	312 929
Financial liabilities not measured at fair value – other financial liabilities					
- Bank loans	19	(594 810)	(594 810)	(354 786)	(354 786)
- Trade and other payables	22	(418 158)	(418 158)	(394 677)	(394 677)
- Bank overdraft	16	(89 558)	(89 558)	-	-
		(1 102 526)	(1 102 526)	(749 463)	(749 463)
Derivative Financial liabilities					
- Interest rate hedge	21	5 166	5 166	(4 751)	(4 751)
		5 166	5 166	(4 751)	(4 751)

36. Financial instruments – Fair values and risk management *(continued)*

36.1 Accounting classification and fair values *(continued)*

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 2023 E'000	Fair value 2023 E'000	Carrying amount 2022 E'000	Fair value 2022 E'000
Company					
Financial assets not measured at fair value – Financial assets at amortised cost					
- Trade and other receivables	15	187 914	187 914	230 221	230 221
- Cash and cash equivalents	16	23 206	23 206	49 989	49 989
		211 120	211 120	280 210	280 210
Financial liabilities not measured at fair value – other financial liabilities					
- Bank loans	19	(149 058)	(149 058)	(117 786)	(117 786)
- Trade and other payables	22	(255 713)	(255 713)	(240 909)	(240 909)
- Bank overdraft	16	(87 511)	(87 511)	-	-
		(492 282)	(492 282)	(358 695)	(358 695)
Derivative Financial liabilities	21				
- Interest rate hedge		1 355	1 355	(1 246)	(1 246)
		1 355	1 355	(1 246)	(1 246)

36.2 Measurement of fair values

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.
Interest rate hedges	The fair value is determined by calculating the difference between the actual interest rate and the rate specified in the swap.	Not applicable.	Not applicable.
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.*

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

36.3 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Balance at the beginning of the year	(1 822)	(1 814)	(954)	(920)
Impairment loss utilised/(reversal)	240	629	(32)	161
Impairment loss recognised during the year	(99)	(637)	292	(195)
Balance at the end of the year	(1 681)	(1 822)	(694)	(954)

The impairment loss on cash and cash equivalents as at 31 March 2023 is E nil (2022: E nil) as the 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 88% of the Group's revenue (2022 - 89%). The regulations of the Sugar Industry in Eswatini are such that the mills are paid weekly for sugar produced.

Ethanol, which accounts for 11% of the Group's revenue (2022 – 9%) 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.

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

36.3 Financial risk management *(continued)*

Credit risk *(continued)*

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
The exposure to credit risk for trade and other receivables at the reporting date by geographic region was:				
Domestic	270 222	220 920	181 176	210 458
Europe	1 339	16 909	1 339	16 909
South Africa	7 599	3 197	5 399	2 854
	279 160	241 026	187 914	230 221
The exposure to credit risk for trade and other receivables at the reporting date by type of counterparty was:				
Sugar debtors	208 812	161 950	143 227	167 763
Ethanol debtors	12 148	30 472	12 148	30 431
Value added tax	28 866	37 760	16 549	21 824
Rental, school, staff, clinic and other debtors	29 334	10 844	15 990	10 203
	279 160	241 026	187 914	230 221
The exposure to credit risk for trade and other receivables at the reporting date by customer type was:				
Eswatini Sugar Association	205 570	160 823	104 081	78 888
Ethanol customers	12 148	30 472	12 148	30 431
Related parties	3 241	1 127	39 145	88 875
Value added tax	28 866	37 760	16 549	21 824
Sundry debtors (rentals, schools, clinics, staff)	29 335	10 844	15 991	10 203
	279 160	241 026	187 914	230 221

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

	2023		2022	
	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	273 765	3 392	237 035	3 099
Non-core customers	1 837	1 847	1 518	1 196
	275 602	5 239	238 553	4 295
Loss allowance	(561)	(1 120)	(628)	(1 194)
	275 041	4 119	237 925	3 101
Company				
Core customers – sugar, ethanol and related parties	185 081	1 206	228 824	1 060
Non-core customers	1 455	866	865	426
	186 536	2 072	229 689	1 486
Loss allowance	(167)	(527)	(317)	(637)
	186 369	1 545	229 372	849

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

36.3 Financial risk management *(continued)*

Expected credit loss assessment for high risk and low risk customers as at 1 April 2022 and 31 March 2023

The Group classifies exposure to a credit risk as being either low risk or high risk. 88% 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. 11% of group revenue is derived from a number 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
2023 Group – Low risk				
Current (not past due)	0%	271 504	-	No
1-30 days past due	0%	3 756	-	No
31-60 days past due	0%	240	-	No
61-90 days past due	0%	609	-	No
More than 90 days past due	53.6%	1 048	562	Yes
Balance at 31 March		277 157	562	
2023 Group – High risk				
Current (not past due)	10.0%	1 838	183	No
1-30 days past due	18.8%	1 019	192	No
31-60 days past due	33.4%	46	16	No
61-90 days past due	62.5%	139	86	Yes
More than 90 days past due	100%	643	643	Yes
Balance at 31 March		3 685	1 120	
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	84.1%	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	

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

36.3 Financial risk management *(continued)*

	Weighted average loss rate	Gross carrying amount E'000	Loss allowance E'000	Credit impaired
2023 Company – Low risk				
Current (not past due)	0%	182 821	-	No
1-30 days past due	0%	2 819	-	No
31-60 days past due	0%	19	-	No
61-90 days past due	0%	6	-	No
More than 90 days past due	26.9%	622	167	Yes
Balance at 31 March		186 287	167	
2023 Company – High risk				
Current (not past due)	11.2%	1 455	163	No
1-30 days past due	25.0%	647	162	No
31-60 days past due	50.3%	8	4	No
61-90 days past due	66.9%	39	26	Yes
More than 90 days past due	100%	172	172	Yes
Balance at 31 March		2 321	527	
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	

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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 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	279 160	241 026	187 914	230 221
Cash and cash equivalents	38 597	71 903	23 206	49 989
	317 757	312 929	211 120	280 210

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

36.3 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 normally 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 E168 million (2022 – 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 (10.25% at year end) less 1% (2022 – 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
2023 Group					
Non derivative financial liabilities					
Bank loans	(594 810)	(786 220)	(172 084)	(473 530)	(140 606)
Lease Liabilities	(6 750)	(10 576)	(1 713)	(4 205)	(4 658)
Trade and other payables	(418 158)	(418 158)	(418 158)	-	-
Bank overdraft	(89 558)	(89 558)	(89 558)	-	-
	(1 109 276)	(1 304 512)	(681 513)	(477 735)	(145 264)
Derivative financial liabilities					
Interest rate hedge	-	-	-	-	-
	-	-	-	-	-
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)	-

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

36.3 Financial risk management *(continued)*

Exposure to liquidity risk (continued)

	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
2023 Company					
Non derivative financial liabilities					
Bank loans	(149 058)	(201 060)	(45 057)	(126 982)	(29 021)
Lease Liabilities	(3 712)	(4 624)	(1 455)	(3 169)	-
Trade and other payables	(255 713)	(255 713)	(255 713)	-	-
Bank overdraft	(87 511)	(87 511)	(87 511)	-	-
	(495 994)	(548 908)	(389 736)	(130 151)	(29 021)
Derivative financial liabilities					
Interest rate hedge	-	-	-	-	-
	-	-	-	-	-
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)
Derivative financial liabilities					
Interest rate hedge	(1 246)	(1 246)	(617)	(629)	-
	(1 246)	(1 246)	(617)	(629)	-

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

36.3 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 secured bank loans that contain 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 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	
	2023 '000	2022 '000	2023 '000	2022 '000	2023 '000	2022 '000	2023 '000	2022 '000
Euro cash in bank	5	127	88	2 049	5	127	88	2 049
US Dollar cash in bank	1 003	1 981	17 865	28 463	1 003	1 981	17 865	28 463
US Dollar trade payable	-	300	-	5 718	-	300	-	5 718
Pound Sterling trade payable	*-	-	2	-	*-	-	2	-

* The trade payable when denominated in Pound Sterling is less than GBP 1 000.

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

	Reporting date Bank buying rate		Reporting date Bank selling rate	
	2023	2022	2023	2022
USD 1	17.81	14.46	17.86	14.51
GBP 1	22.06	16.15	22.12	16.21
EURO 1	19.40	18.99	19.46	19.06

	Average rate	
	2023	2022
USD 1	16.99	14.86
GBP 1	20.45	20.29
EURO 1	17.69	17.26

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

36.3 Financial risk management *(continued)*

Currency risk *(continued)*

Exposure to currency risk (continued)

Sensitivity Analysis

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 2022.

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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
USD	9	205	9	205
Euro	1 787	2 864	1 787	2 864
Pound	-	6	-	6
Total	1 796	3 075	1 796	3 075
Impact on equity	1 302	2 229	1 302	2 229

Interest rate risk

The Group does monitors interest rate trends on an ongoing basis, to manage exposure to changes in interest rates Refer to note 39.3 and note 21 for further information on the Group's management of interest rate risk.

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

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
Profile				
Variable rate instruments				
Financial assets – call deposits	4 982	12 652	3 704	6 290
Financial liabilities	(684 369)	(354 786)	(236 568)	(117 786)
	(679 387)	(342 134)	(232 864)	(111 496)

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 and equity by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency rates, remain constant. The analysis is performed on the same basis for 2022.

	Group 100 bp increase E'000	Group 100 bp decrease E'000	Company 100 bp increase E'000	Company 100 bp decrease E'000
31 March 2023				
Net cash flow sensitivity of variable rate instruments	(19 232)	19 232	(5 491)	5 491
Impact on equity	(13 943)	13 943	(5 491)	5 491
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

37. Related parties

Significant related party relationships exist between the Company and:

- major shareholders, Tibiyo Taka Ngwane, Tsb Sugar International (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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
37.1 Related party balances				
Amounts owing by related parties				
The following amounts are due from related parties at year end:				
Enviro Applied Products (Pro-prietary) Limited	49	-	45	-
Mhlume Sugar Company Limited	-	-	38 324	88 474
Mananga Sugar Packers (Proprie-tary) Limited	802	794	255	294
Mananga Country Club	1 154	-	-	-
Mhlume Country Club	687	226	-	-
Simunye Country Club	512	71	484	71
Simunye Plaza	37	36	37	36
	3 241	1 127	39 145	88 875
Amounts owing to related parties				
Enviro Applied Products (Proprietary) Limited	10 775	-	6 428	-
Mhlume Water	4 878	8 732	-	-
Royal Swazi Distillers (Proprietary) Limited	-	-	21 126	19 340
Tibiyo Taka Ngwane	10 778	6 339	3 291	2 282
Tsb Sugar International (Proprietary) Limited	220	208	220	208
	26 651	15 279	31 065	21 830

There are no provisions for debt impairment or bad debts written off relating to the above related party balances.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
37.2 Related party transactions				
Transactions include the following un-eliminated transactions:				
Stillage sold to Enviro Applied Products (Pro-prietary) Limited	4 844	-	4 844	-
Liquid fertiliser purchased from Enviro Ap-plied Products (Proprietary) Limited	(119 777)	-	(78 117)	-
Water cost paid to Mhlume Water	(13 786)	(13 292)	(13 786)	-
Mhlume Water – water `charged to Mhlume Sugar Company Ltd	13 786	13 292	13 786	-
Interest paid - Royal Swazi Distillers (Proprie-tary) Limited	(1 650)	(1 171)	(1 650)	(1 171)
Management, marketing and technical fees (paid)/ received:				
- Tsb Sugar International (Proprietary) Limited	(2 643)	(2 500)	(2 643)	(2 500)
- Mhlume Water	3 372	3 211	-	-
- Mananga Sugar Packers (Proprietary) Lim-ited	1 140	1 086	1 140	1 086
- Tibiyo Taka Ngwane	2 432	2 587	2 432	1 359
	4 301	4 384	929	(55)

Directors' emoluments are disclosed in note 27.

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
37.3 Compensation for key management personnel				
Short term benefits	25 235	27 386	14 384	15 610
Other long-term employee benefits	23 193	27 581	13 220	15 721
	48 428	54 967	27 604	31 331

37. Related parties *(continued)*

37.4 Related party contingent liabilities and commitments

Related party capital commitments are disclosed in note 33.

Related party contingent liabilities and commitments are disclosed in note 34.

37.5 Impairments

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

38. Leases

The Group as a Lessee

The Group leases land as detailed in note 38.1. 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 ratoon. 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
38.1 Leases (right-of use assets)			
Right-of-use assets related to leased property			
Group 2023			
Balance at 1 April 2022	5 780	1 982	7 762
Additions	152	-	152
Depreciation charge for the year	(612)	(1 399)	(2 011)
Balance at 31 March 2023	5 320	583	5 903
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)
Balance at 31 March 2022	5 780	1 982	7 762
Company 2023			
Balance at 1 April 2022	2 883	1 982	4 865
Additions	44	-	44
Depreciation charge for the year	(487)	(1 399)	(1 886)
Balance at 31 March 2023	2 440	583	3 023
Company 2022			
Balance at 1 April 2021	3 717	3 380	7 097
Additions	-	-	-
Depreciation charge for the year	(834)	(1 398)	(2 232)
Balance at 31 March 2022	2 883	1 982	4 865

	Group 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
38 Leases *(continued)*				
38.2 Leases amounts recognised in profit or loss				
Leases under IFRS 16				
Interest on lease liability	659	823	471	636
Lease Expense				
Lease expense	2 655	3 746	2 409	3 147
Leases recognised in statement of cashflows				
Total cash outflow for leases	1 996	2 191	1 938	2 138

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.

38.3 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 2023 E'000	Group 2022 E'000	Company 2023 E'000	Company 2022 E'000
38.4 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	1 491	1 420	1 491	1 420
More than one year and less than five years from reporting date	6 749	6 427	6 749	6 427
Five years or more from reporting date	5 999	7 812	5 999	7 812
	14 239	15 659	14 239	15 659

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.

39. 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.

39.1 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.

39. Significant accounting policies *(continued)*

39.1 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.

39.2 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.

39.3 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.

39. Significant accounting policies *(continued)*

39.3 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.

39. Significant accounting policies *(continued)*

39.3 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.

39.4 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.

39. Significant accounting policies *(continued)*

39.4 Property, plant and equipment *(continued)*

Subsequent expenditure *(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 – 10 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.

39.5 Goodwill

Initial measurement

The initial measurement of goodwill is detailed under 'Business Combinations' refer to note 39.1.

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.

39.6 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: 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.

39. Significant accounting policies *(continued)*

39.6 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.

39.7 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.

39.8 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.

39.9 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.

39. Significant accounting policies *(continued)*

39.9 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.

39.10 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.

39. Significant accounting policies *(continued)*

39.11 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.

39.12 Revenue from contracts with customers

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

39.13 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.

39.14 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.

39. Significant accounting policies *(continued)*

39.14 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.

39.15 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.

39.16 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.

39.17 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.

39. Significant accounting policies *(continued)*

39.17 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.

39.18 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.

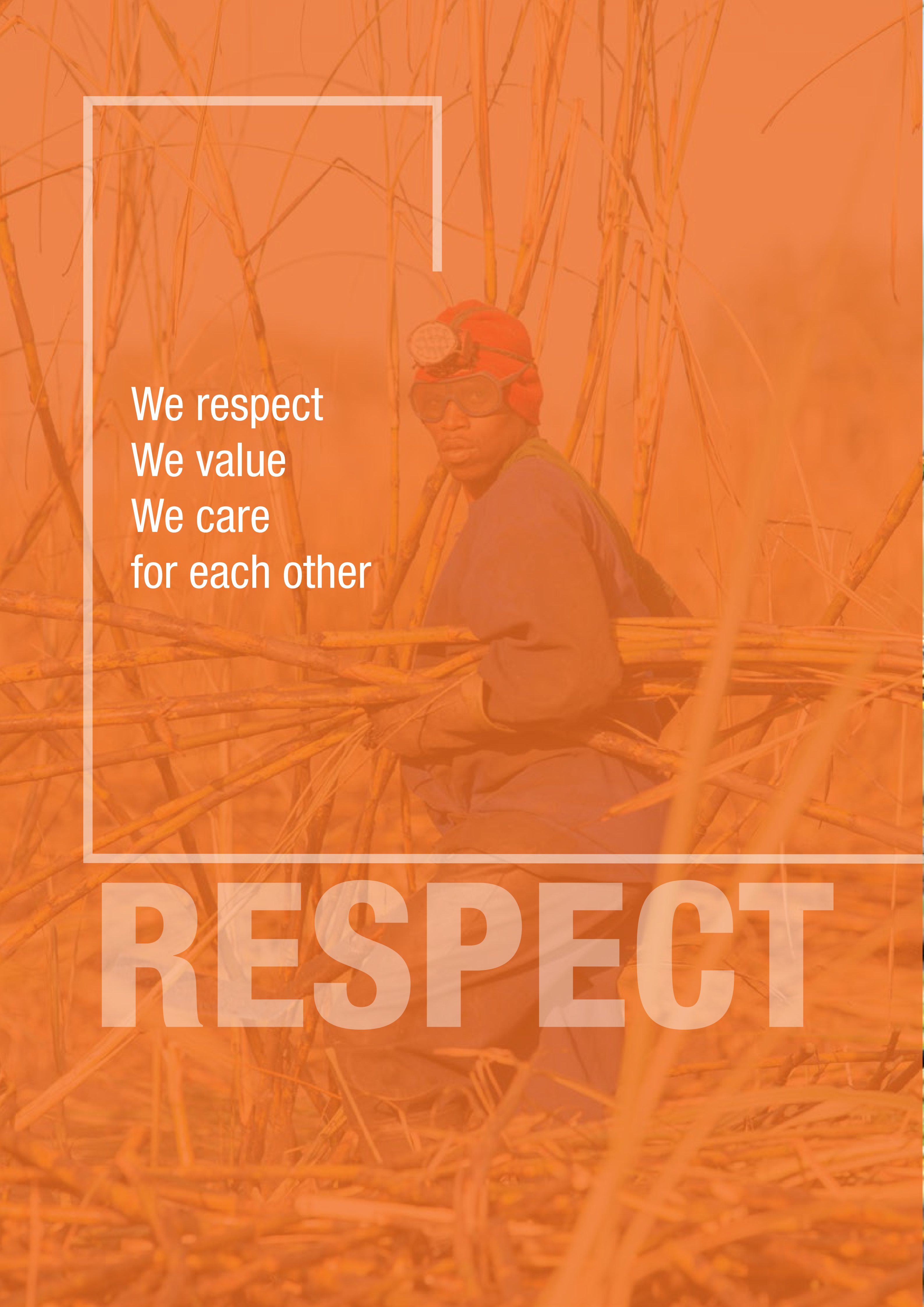
40. Going Concern

The effects of the war between Russia and Ukraine have impacted on the financial performance of the Group for the year ended 31 March 2023 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 continues to implement various strategies to mitigate the associated risks. Based on this, the directors are of the view that the ongoing conflict in Ukraine would not significantly impact the Group's ability to operate as a going concern.

41. 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.

There are no other matters other than the signing of agreements for land leases from Tibiyo Taka Ngwane as disclosed in the director's report, which are material to the financial affairs of the Company and Group, that have occurred between the report date and the date of approval of the financial statement.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We value
We care
for each other
RESPECT

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